



PROVINCE OF KWAZULU-NATAL

**ESTIMATES
OF
PROVINCIAL REVENUE AND
EXPENDITURE**

2015/16

**for the
financial year ending 31 March 2016**

**Presented to Provincial Legislature
10 March 2015**

Quantity Printed 680

ISBN: 0-86967-362-9

To obtain further copies of this document, please contact:

Provincial Treasury

5th Floor

Treasury House

145 Chief Albert Luthuli Road

3201

P.O. Box 3613

Pietermaritzburg

3200

Tel: +27 (0) 33 – 897 4310

Fax: +27 (0) 33 – 897 4617

FOREWORD

The 2015/16 Medium-Term Expenditure Framework (MTEF) budget is tabled within an extremely constrained fiscal environment, largely due to the introduction of a fiscal consolidation programme in the country, introduced by the Minister of Finance during the tabling of the Medium Term Budget Policy Statement (MTBPS) in October 2014. The purpose of this plan is to reduce public spending so as to deal with the country's looming debt crisis. As a result, allocations to all spheres of government have been reduced.

For KwaZulu-Natal, a total of R1.200 billion has been taken off the provincial baseline in 2015/16. This budget cut occurs on top of budget reductions the province faced in the 2013/14 MTEF as a result of the 2011 Census data. At that time, the province lost over R6 billion in total over the three MTEF years. For 2015/16, this means that KwaZulu-Natal's budget reduces by R3.700 billion. This is a substantial loss of income, and requires the province to reprioritise its spending. Compounding this fiscal scenario, was the inability of National to compensate provinces for the above-budget 2014 public service wage settlement. For this province, the shortfall amounted to R580 million in 2014/15.

To this end, the province had to reconsider some of its spending plans with a view to redirecting funding to where it is needed the most. To finance these cuts, the province has done the following:

- Discontinued the Strategic Cabinet Initiatives fund. This released R100 million in each year back into the fiscus.
- Postponed the development of the government office precinct project. This released a further R600 million.
- Reduced the Contingency Reserve for the 2015/16 MTEF, and capped it at R750 million for the next three years. This released R538 million, R272 million and R285 million over the MTEF.

These were very difficult decisions, but Cabinet had to take them, to deal with this difficult situation. Over the 2015/16 MTEF, the province will continue to exercise fiscal discipline through the implementation of fiscal austerity measures that were first approved in 2009/10. These measures have been instrumental in ensuring fiscal stability in KwaZulu-Natal.

It is my honour to present the 2015/16 *Estimates of Provincial Revenue and Expenditure (EPRE)* which gives details of the provincial fiscal framework to the people of KwaZulu-Natal and beyond. These estimates are presented in two parts, the first being aggregates of revenue and expenditure, including the budget strategy adopted and the fiscal framework in general. Part two provides a detailed account of budget allocations per department. These estimates provide an opportunity for the Legislature and citizens to hold the provincial government departments and public entities accountable for the public funds they spend.



S'miso Les Magagula

Head: KwaZulu-Natal Provincial Treasury

CONTENTS

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

OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE

| | | |
|-----------|---|-----------|
| 1. | Socio-economic Outlook | 1 |
| 2. | Summary of Budget Aggregates and Financing | 7 |
| 3. | Budget Process and Medium Term Expenditure Framework | 13 |
| 4. | Receipts | 21 |
| 5. | Payments | 37 |
| 6. | Measuring Performance in Government | 67 |

ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE

Departmental Estimates

| | | |
|-----------------|--|------------|
| Vote 1: | Office of the Premier | 1 |
| Vote 2: | Provincial Legislature | 47 |
| Vote 3: | Agriculture and Rural Development | 77 |
| Vote 4: | Economic Development, Tourism and Environmental Affairs | 125 |
| Vote 5: | Education | 209 |
| Vote 6: | Provincial Treasury | 267 |
| Vote 7: | Health | 317 |
| Vote 8: | Human Settlements | 383 |
| Vote 9: | Community Safety and Liaison | 423 |
| Vote 10: | The Royal Household (moved to Vote 1: OTP) | 449 |
| Vote 11: | Co-operative Governance and Traditional Affairs | 451 |
| Vote 12: | Transport | 505 |
| Vote 13: | Social Development | 549 |
| Vote 14: | Public Works | 597 |
| Vote 15: | Arts and Culture | 633 |
| Vote 16: | Sport and Recreation | 675 |

LIST OF ANNEXURES

| | |
|---|-----|
| Overview of Provincial Revenue and Expenditure | 69 |
| Estimates of Provincial Revenue and Expenditure | |
| Vote 1: Office of the Premier | 37 |
| Vote 2: Provincial Legislature | 71 |
| Vote 3: Agriculture and Rural Development | 107 |
| Vote 4: Economic Development, Tourism and Environmental Affairs | 179 |
| Vote 5: Education | 253 |
| Vote 6: Provincial Treasury | 305 |
| Vote 7: Health | 365 |
| Vote 8: Human Settlements | 411 |
| Vote 9: Community Safety and Liaison | 443 |
| Vote 10: The Royal Household (moved to Vote 1: OTP) | - |
| Vote 11: Co-operative Governance and Traditional Affairs | 489 |
| Vote 12: Transport | 539 |
| Vote 13: Social Development | 587 |
| Vote 14: Public Works | 623 |
| Vote 15: Arts and Culture | 663 |
| Vote 16: Sport and Recreation | 699 |

LIST OF ABBREVIATIONS

| Abbreviation | Full description |
|--------------|--|
| AACL | Animal Anti-Cruelty League |
| AAIM | Anti-Addiction in Medicine |
| AARTO | Administrative Adjudication of Road Traffic Offences |
| ABET | Adult Basic Education and Training |
| ADA | Agri-business Development Agency |
| AEPRE | Adjustments Estimate of Provincial Revenue and Expenditure |
| AET | Adult Education and Training |
| AFCON | Africa Cup of Nations |
| AFS | Annual Financial Statements |
| AFMS | Application Filing Management System |
| A-G | Auditor-General |
| AGOA | African Growth Opportunities Act |
| AGM | Annual General Meeting |
| ANA | Annual National Assessments |
| ANC | African National Congress |
| AOP | Annual Oversight Plan |
| APAC | Association of Public Accounts Committee |
| APAP | Agricultural Policy Action Plan |
| APP | Annual Performance Plan |
| ARRUP | African Renaissance Roads Upgrading Programme |
| ART | Anti-retroviral Therapy |
| ARV | Anti-retroviral |
| AQM | Air Quality Management |
| AWG | Action Work Groups |
| BAS | Basic Accounting System |
| B-BBEE | Broad-Based Black Economic Empowerment |
| BCP | Business Continuity Plan |
| BIS | Business Intelligence System |
| BPM | Business Process Mapping |
| BPO | Business Process Outsourcing |
| BRICS | Brazil, Russia, India, China and South Africa |
| C-AMP | Custodian-Asset Management Plan |
| CAC | Council Against Crime |
| CAPS | Curriculum and Assessment Policy Statements |
| CARA | Conservation of Agricultural Resources Act |
| CASP | Comprehensive Agricultural Support Programme |
| CBD | Central Business District |
| CBOs | Community-Based Organisations |
| CCGs | Community Care-Givers |
| CCMA | Commission for Conciliation, Mediation and Arbitration |
| CDC | Community Day Centre |
| CDW | Community Development Worker |
| CEDAW | Convention on the Elimination of all forms of Discrimination Against Women |
| CEDI | Community Economic Development Initiatives |
| CEO | Chief Executive Officer |
| CETA | Construction Education Training Authority |
| CFO | Chief Financial Officer |
| CHC | Community Health Centre |
| CIDB | Construction Industry Development Board |
| CIP | Compulsory Induction Programme |
| CiDP | Communities-in-Dialogue Programme |
| COGTA | Co-operative Governance and Traditional Affairs |
| COHOD | Committee of Heads of Departments |
| COIDA | Compensation of Injuries and Diseases' Act |
| COP | Conference of Parties |
| CMA | Comrade Marathon Association |

List of Abbreviations

| Abbreviation | Full description |
|---------------------|---|
| CMP | Contract Management Project |
| CPA | Commonwealth Parliamentary Association |
| CPD | Corporate for Public Deposit |
| CPF | Community Policing Forum |
| CPI | Consumer Price Index |
| CRG | Capital Restructuring grant |
| CRSC | Community Road Safety Councils |
| CRU | Community Residential Unit |
| CSC | Community Service Centre |
| CSFs | Community Safety Forums |
| CSIR | Council for Scientific Industrial Research |
| CYCC | Child and Youth Care Centres |
| CYCW | Child and Youth Care Workers |
| CWP | Community Work Programme |
| DAC | Department of Arts and Culture |
| DARD | Department of Agriculture and Rural Development |
| DBSA | Development Bank of South Africa |
| DBE | Department of Basic Education |
| DCSL | Department of Community Safety and Liaison |
| DCST | District Clinical Specialist Teams |
| DDA | District Development Agencies |
| DDMC | District Disaster Management Centre |
| DEDTEA | Department of Economic Development, Tourism and Environmental Affairs |
| DH | District Houses |
| DHA | Department of Home Affairs |
| DHET | Department of Higher Education and Training |
| DIRCO | Department of International Relations and Co-operation |
| DIS | Development Information Services |
| DOE | Department of Education |
| DOH | Department of Health |
| DOHS | Department of Human Settlements |
| DOPW | Department of Public Works |
| DORA | Division of Revenue Act |
| DOSR | Department of Sport and Recreation |
| DOT | Department of Transport |
| DPLG | Department of Provincial and Local Government |
| DPME | Department of Performance, Monitoring and Evaluation |
| DPSA | Department of Public Service and Administration |
| DPSS | Development Planning Shared Services |
| DRDLR | Department of Rural Development and Land Reform |
| DRH | Department of Royal Household |
| DRP | Disaster Recovery Plan |
| DRM | Disaster Risk Management |
| DSD | Department of Social Development |
| DTI | Department of Trade and Industry |
| DTPC | Dube TradePort Corporation |
| DVA | Domestic Violence Act |
| DWAF | Department of Water Affairs |
| EAP | Economically Active Population |
| EC | Eastern Cape |
| ECD | Early Childhood Development |
| ECM | Enterprise Content Management |
| EE | Employment Equity |
| EEDBS | Extended Enhanced Discount Benefit Scheme |
| EGD | Engineering, Graphics and Design |
| EIA | Environmental Impact Assessment |
| EIG | Education Infrastructure grant |
| EKZNW | Ezemvelo KZN Wildlife |
| ELRC | Education Labour Relations Council |
| EMF | Environmental Management Framework |
| EMIS | Education Management Information System |

| Abbreviation | Full description |
|--------------|---|
| EMS | Emergency Medical Services |
| EPHP | Enhanced People's Housing Process |
| EPRE | Estimates of Provincial Revenue and Expenditure |
| EPWP | Expanded Public Works Programme |
| ERP | Enterprise Resource Planning |
| ESID | Economic Sector and Infrastructure Development |
| ETDP | Education, Training and Development Practice |
| EU | European Union |
| EXCO | Executive Committee |
| FARSC | Fixed Asset Register Steering Committee |
| FBS | Free Basic Services |
| FET | Further Education and Training |
| FETC | Further Education and Training College |
| FFC | Financial and Fiscal Commission |
| FFW | Food For Waste |
| FLISP | Finance Linked Individual Subsidy Programme |
| FMCMM | Financial Management Capability Maturity Model |
| FPC | Finance Portfolio Committee |
| FS | Free State |
| FTE | Full-time Equivalent |
| GAMS | General Algebraic Modeling System |
| GDCSC | Gender, Disability, Children and Senior Citizens |
| GBS | General Budget Support |
| GDP | Gross Domestic Product |
| GEMS | Government Employees Medical Scheme |
| GEPF | Government Employees Pension Fund |
| GET | General Education and Training |
| GHS | General Household Survey |
| GIAMA | Government Immoveable Asset Management Act |
| GIS | Geographical Information System |
| GP | Gauteng Province |
| GRAP | Generally Recognised Accounting Practice |
| GROW | Guiding Recovery of Women |
| GWEA | Government Wide Enterprise Architecture |
| HCBC | Home Community-Based Care |
| HAD | Housing Development Agency |
| HDI | Human Development Index |
| HIV and AIDS | Human Immuno-deficiency Virus and Acquired Immuno Deficiency Syndrome |
| HOD | Head of Department |
| HRD | Human Resource Development |
| HPV | Human Papilloma Virus |
| HSDG | Human Settlements Development grant |
| HWSETA | Health and Welfare Sector Education Training Authority |
| IA | Implementing Agent |
| IALCH | Inkosi Albert Luthuli Central Hospital |
| IASP | Invasive Alien Species Programme |
| IBO | International Boxing Organisation |
| ICC | International Convention Centre |
| ICD | Independent Complaints Directorate |
| ICH | Integrated Craft Hubs |
| ICRM | Ideal Clinic Realisation and Maintenance |
| ICT | Information Communication Technology |
| ICU | Intensive Care Unit |
| IDA | Inter-departmental account |
| IDIP | Infrastructure Delivery Improvement Programme |
| IDMS | Infrastructure Delivery Management System |
| IDP | Integrated Development Plan |
| IDRMS | Integrated Document and Records Management System |
| IDS | Industrial Development Strategy |
| IDT | Independent Development Trust |
| IDZ | Industrial Development Zone |

List of Abbreviations

| Abbreviation | Full description |
|--------------|---|
| IEC | Independent Electoral Commission |
| IES | Income and Expenditure Survey |
| IFMS | Information Financial Management System |
| IGCC | Inter-Governmental Cash Co-ordination |
| IGR | Inter-Governmental Relations |
| IMCI | Integrated Management of Childhood Illnesses |
| IMDP | Integrated Master Development Plan |
| IMF | International Monetary Fund |
| IOC | International Olympics Committee |
| IPID | Independent Police Investigative Directive |
| IPMP | Infrastructure Programme Management Plan |
| IPTN | Integrated Public Transport Networks |
| IRDP | Integrated Residential Development Programme |
| IRM | Infrastructure Reporting Model |
| ISDM | Infrastructure Service Delivery Model |
| ISO | International Organisation for Standardisation |
| ISU | Informal Settlements Upgrade |
| IT | Information Technology |
| ITB | Ingonyama Trust Board |
| IWMP | Integrated Waste Management Plan |
| IYDS | Integrated Youth and Development Strategy |
| IYM | In-Year Monitoring |
| JCPS | Justice Crime Prevention Strategy |
| JE | Job Evaluation |
| KIAS | KZN Integrated Archibus System |
| KSIA | King Shaka International Airport |
| KZN | KwaZulu-Natal |
| KZNCCPA | KwaZulu-Natal Community Crime Prevention Association |
| KZNGBB | KwaZulu-Natal Gaming and Betting Board |
| KZNMERA | KwaZulu-Natal Monitoring, Evaluation and Research Association |
| KZNLA | KwaZulu-Natal Liquor Authority |
| KZNSB | KwaZulu-Natal Sharks Board |
| L:E | Learner: Educator |
| LA | Legislative Assembly |
| LAP | Local Area Planning |
| LCF | Local Competitiveness Fund |
| LED | Local Economic Development |
| LG | Local Government |
| LGTAS | Local Government Turn-Around Strategy |
| LHs | Local Houses |
| LIV | <i>Lungisisa Indlela</i> Village |
| LP | Limpopo |
| LTAD | Long Term Athlete Development |
| LTSM | Learner Teacher Support Material |
| LUMS | Land Use Management Strategy |
| LUWM | Lower Umfolozi War Memorial (Hospital) |
| MAP | Management Assistance Programme |
| MBAT | Municipal Bid Appeals Tribunal |
| MBRR | Municipal Budget and Reporting Relations |
| MCA | Municipal Capacity Assessment |
| MCOE | Maritime Centre of Excellence |
| MDB | Municipal Demarcation Board |
| MDG | Millennium Development Goal |
| MDP | Municipal Development Programme |
| MDR | Multi-Drug Resistant |
| MDR/XDR | Multi-Drug Resistant/Extreme Drug Resistant |
| MEC | Member of Executive Council |
| MERSETA | Manufacturing, Engineering and Related Services Sector Education and Training Authority |
| MFMA | Municipal Finance Management Act |
| MIG | Municipal Infrastructure grant |
| MK | <i>Umkhonto Wesizwe</i> |

| Abbreviation | Full description |
|---------------------|--|
| MinComBud | Ministers' Committee on the Budget |
| MIS | Municipal Information System |
| MISOE | Maritime Institute of Sectoral Occupational Excellence |
| MKI | Moses Kotane Institute |
| MOA | Memorandum of Agreement |
| MOU | Memorandum of Understanding |
| MP | Mpumalanga Province |
| MPAC | Municipal Public Accounts Committee |
| MPAT | Monitoring Performance Assessment Tool |
| MPCC | Multi-Purpose Community Centre |
| MPL | Member of Provincial Legislature |
| MPRA | Municipal Property Rates Act |
| MPSD | Mass Participation and Sport Development |
| MRO | Maintenance Repair and Overhaul |
| MSA | Municipal Structures Act |
| MSP | Municipal Support Programme |
| MST | Mathematics, Science and Technology |
| MTAS | Municipal Turn-Around Strategies |
| MTEC | Medium-Term Expenditure Committee |
| MTEF | Medium-Term Expenditure Framework |
| MTSF | Medium-Term Strategic Framework |
| MTV | Music Television |
| MuniMEC | Municipalities and Members of the Executive Council |
| MYHDP | Multi-year Housing Development Plan |
| NACOSA | National Aids Convention of South Africa |
| NC | Northern Cape |
| NC(V) | National Certificate (Vocational) |
| NCNC | Non-compensation non-capital |
| NCOP | National Council of Provinces |
| NCR | National Cancer Registry |
| NCS | National Curriculum Statement |
| NDA | National Development Agency |
| NDEA | National Department of Environmental Affairs |
| NDHS | National Department of Human Settlements |
| NDMC | National Disaster Management Centre |
| NDOH | National Department of Health |
| NDOPW | National Department of Public Works |
| NDOSR | National Department of Sport and Recreation |
| NDOT | National Department of Transport |
| NDP | National Development Plan |
| NEMA | National Environmental Management Act |
| NEPA | National Education Policy Act |
| NGO | Non-Government Organisation |
| NHBRC | National Home Builders Registration Council |
| NHFC | National Housing Finance Corporation |
| NHI | National Health Insurance |
| NHLS | National Health Laboratory Service |
| NHS | National Health System |
| NICD | National Institute of Communicable Diseases |
| NIOH | National Institute of Occupational Health |
| NIP | National Integrated Plan |
| NMT | National Monitoring Tool |
| NPOs | Non-Profit Organisations |
| NSC | National Senior Certificate |
| NSF | National Skills Fund |
| NSNP | National School Nutrition Programme |
| NT | National Treasury |
| NTSG | National Tertiary Services grant |
| NW | North West |
| NYSP | National Youth Service Programme |
| OHS | Occupational Health and Safety |

List of Abbreviations

| Abbreviation | Full description |
|--------------|---|
| OPSCAP | Operational Capital |
| OPMS | Organisational Performance Management System |
| OPRE | Overview of Provincial Revenue and Expenditure |
| OSCA | Owen Sithole College of Agriculture |
| OSD | Occupational Specific Dispensation |
| OSS | Operation <i>Sukuma Sakhe</i> |
| OTP | Office of the Premier |
| PABX | Private Automatic Branch Exchange |
| PAC | Planning Africa Conference |
| PAIA | Promotion of Access to Information Act |
| PAJA | Promotion of Administrative Justice Act |
| PALC | Public Adult Learning Centre |
| PARMED | Parliamentary Medical Aid |
| PAYE | Pay as you earn |
| PBS | Performance Budgeting System |
| PCR | Polymerase Chain Reaction |
| PDA | Planning and Development Act |
| PDE | Patient-day Equivalent |
| PDMC | Provincial Disaster Management Centre |
| PDMP | Provincial Disaster Management Plan |
| PEPFAR | President's Emergency Plan for AIDS Relief |
| PEPUDA | Promotion of Equality and Prevention of Unfair Discrimination Act |
| PERO | Provincial Economic Review and Outlook |
| PERSAL | Personnel and Salary system |
| PES | Provincial Equitable Share |
| PFMA | Public Finance Management Act |
| PGDP | Provincial Growth and Development Plan |
| PGDS | Provincial Growth and Development Strategy |
| PHP | Private Hospital Patient |
| PHC | Primary Health Care |
| PIA | Provincial Immovable Assets |
| PICC | Presidential Infrastructure Co-ordinating Committee |
| PICT | Provincial Information Communication Technology |
| PIJF | Provincial Integrated Justice Forum |
| PILIR | Policy on Incapacity Leave and Ill Health Retirement |
| PIP | Provincial Infrastructure Plan |
| PL | Provincial Legislature |
| Pmb | Pietermaritzburg |
| PMG | Pay Master-General |
| PMS | Performance Management System |
| PMU | Project Management Unit |
| PPC | Provincial Planning Commission |
| PPDC | Provincial Planning and Development Commission |
| PPP | Public Private Partnership |
| PPPFA | Preferential Procurement Policy Framework Act |
| PPF | Political Parties' Fund |
| PRE | Provincial Regulatory Entity |
| PREMIS | Professional Real Estate Management Information System |
| PRF | Provincial Revenue Fund |
| PSCBC | Public Service Co-ordinating Bargaining Council |
| PSEDS | Provincial Spatial Economic Development Strategy |
| PSETA | Public Sector Education and Training Authority |
| PSP | Professional Service Provider |
| PT | Provincial Treasury |
| PTOG | Public Transport Operations grant |
| PTPAs | Public Transport Passenger Associations |
| Pty (Ltd) | Propriety (Limited) |
| PVA | Public Viewing Areas |
| PwC | PricewaterhouseCoopers |
| QIP | Quality Improvement Plan |
| QLTC | Quality Learning and Teaching Committees |

| Abbreviation | Full description |
|---------------------|---|
| QPR | Quarterly Performance Report |
| RAF | Road Accident Fund |
| RAMS | Road Asset Management System |
| RBIDZ | Richards Bay Industrial Development Zone |
| RFID | Radio Frequency Identification |
| RHT | Royal Household Trust |
| RIA | Regulatory Impact Analysis |
| ROD | Record of Decision |
| RRTF | Rural Road Transport Forum |
| RTI | Road Traffic Inspectorate |
| RTMC | Road Traffic Management Corporation |
| RWOPS | Remuneration for Work Outside Public Service |
| SA | South Africa |
| SAAMBR | SA Association for Marine Biological Research |
| SABC | South African Broadcasting Corporation |
| SACE | South African Council for Educators |
| SACPLAN | South African Council for Planners |
| SADC | Southern African Development Community |
| SADT | South African Development Trust |
| SAICA | South African Institute of Chartered Accountants |
| SALGA | South African Local Government Association |
| SAMTRA | South African Maritime Training Academy |
| SAMSA | South African Maritime Safety Authority |
| SANCA | South African National Council of Alcoholism |
| SANDF | South African National Defence Force |
| SANRAL | South African National Roads Agency Limited |
| SAP | Systems, Applications and Products |
| SAPI | South African Planning Institute |
| SAPS | South African Police Service |
| SAQA | South African Qualifications Authority |
| SARB | South African Reserve Bank |
| SARS | South African Revenue Service |
| SAS | Statistical Analysis Software |
| SASA | South African Schools Act |
| SA-SAMS | South African-Schools Administration Management System |
| SASCOC | South African Sport Confederation and Olympic Committee |
| SASSA | South African Social Security Agency |
| SBDA | Small Business Development Agency |
| SCM | Supply Chain Management |
| SCOA | Standard Chart of Accounts |
| SCOPA | Standing Committee on Public Accounts |
| SDF | Spatial Development Framework |
| SECO | Swiss Economic Co-operation Affairs Department |
| SEDA | Small Enterprise Development Agency |
| SETA | Sector Education Training Authority |
| SERO | Socio-economic Review and Outlook |
| SEZ | Special Economic Zones |
| SGM | Senior General Manager |
| SHI | Social Housing Institutions |
| SHRA | Social Housing Regulatory Authority |
| SIPs | Strategic Infrastructure Projects/Programmes |
| SITA | State Information Technology Agency |
| SIT | Strategic Investment Team |
| SIU | Special Investigation Unit |
| SLA | Service Level Agreement |
| SLIMS | SITA Library Information Management System |
| SMME | Small, Medium and Micro Enterprise |
| SMS | Senior Management Service |
| SP | Strategic Plan |
| SPCA | Society for the Prevention of Cruelty Against Animals |
| STI | Sexually Transmitted Infection |

List of Abbreviations

| Abbreviation | Full description |
|--------------|--|
| STP | Service Transformation Plan |
| TA | Transaction Advisors |
| TAC | Traditional Administrative Centre |
| TAF | Technical Assistance Fund |
| TAFI | Travel Agencies Federation of India |
| TB | Tuberculosis |
| TC | Traditional Council |
| THETA | Tourism, Hospitality, Education and Training Authority |
| TETA | Transport Education and Training Authority |
| TIK | Trade and Investment KwaZulu-Natal |
| TKZN | KwaZulu-Natal Tourism Authority |
| TLTP | Taking Legislature to the People |
| TSC | <i>Thusong</i> Service Centres |
| TV | Television |
| U-AMP | User-Asset Management Plan |
| UAP | Universal Access Plan |
| UAS | uMgungundlovu Academy of Sport |
| UCT | University of Cape Town |
| UISP | Upgrade of Informal Settlements Programme |
| UK | United Kingdom |
| UKZN | University of KwaZulu-Natal |
| UN | United Nations |
| UNCRPD | United Nations Convention on the Rights of Persons with Disabilities |
| UNIZULU | University of Zululand |
| UPFS | Uniform Patient Fee Structure |
| USA | United States of America |
| USDG | Urban Settlement Development grant |
| VAT | Value-added Tax |
| VECA | <i>Vukuzakhe</i> Emerging Contractors Association |
| VEP | Victim Empowerment Programme |
| VSCPP | Volunteer Social Crime Prevention Programme |
| WC | Western Cape |
| WESSA | Wildlife and Environmental Society of South Africa |
| WHO | World Health Organisation |
| WTO | World Trade Organisation |
| WSA | Water Services Authority |
| XDR | Extreme Drug Resistance |

| Zulu words | English translation |
|----------------------------|---|
| <i>Amabutho (pl.)</i> | A group of traditional warriors (regiment) |
| <i>Amadelakufa</i> | Stalwarts |
| <i>Amaganu</i> | Amarula |
| <i>Amafa</i> | Heritage |
| <i>Amakhosi (pl.)</i> | Traditional leaders or chiefs |
| <i>Amazwi abesifazane</i> | Voices of women |
| <i>Ezomnotho</i> | Economic affairs (DEDTEA Publication) |
| <i>Hlasela</i> | Invade |
| <i>Isibindi</i> | Courage |
| <i>Isigodi</i> | A village within a tribal authority |
| <i>Izizwe</i> | Nations |
| <i>I(zi)mbizo</i> | Public meeting(s) called by government involving a large number of people |
| <i>I(zi)nduna (pl.)</i> | Traditional leaders |
| <i>Ifihlile</i> | Hidden |
| <i>Imizi yesizwe</i> | Houses for <i>Amakhosi</i> |
| <i>Induku</i> | Stick fighting |
| <i>Indaba</i> | Forum |
| <i>Ingqathu</i> | Rope skipping |
| <i>Izandla Ziyagezana</i> | People helping one another |
| <i>Khuz'umhlola</i> | Condemning shameful behavior |
| <i>Kushunquthuli</i> | Getting dust off the ground |
| <i>Lungisisa Indlela</i> | Prepare the way |
| <i>Lwisana Nobugebengu</i> | Fight against crime |

| Zulu words | English translation |
|---------------------------|---|
| <i>Masifundisane</i> | Let's teach each other |
| <i>Omama Bezintombi</i> | Mothers of maidens |
| <i>Ondlunkulu</i> | Traditional leaders' or chiefs' wives |
| <i>Sakhisizwe</i> | Building a nation |
| <i>S'fundisimvelo</i> | We are teaching about nature |
| <i>S'hamba Sonke</i> | Moving together |
| <i>Shanela</i> | Sweep |
| <i>Simama</i> | Growth |
| <i>Siyadlala</i> | We are playing |
| <i>Sukuma Sakhe</i> | Stand up and build |
| <i>Thathulwazi</i> | Gaining knowledge |
| <i>Ubukhosi</i> | Kingship |
| <i>Umbimbi</i> | A coalition of people working towards the same goal |
| <i>Umkhonto Wesizwe</i> | The spear of the nation |
| <i>Umkhosi Wezithungo</i> | Ritual information sharing session |
| <i>Umkhosi Womhlanga</i> | Reed Dance |
| <i>Umkhosi Woselwa</i> | First Fruit ceremony |
| <i>Umlabalaba</i> | Board game |
| <i>Unembeza</i> | Conscience |
| <i>Vulindlela</i> | Open the way |
| <i>Vukuzakhe</i> | Wake up and build |
| <i>Vuselela</i> | Restore |
| <i>Zibambeke</i> | Do it yourself |
| <i>Zimele</i> | Stand up for yourself |
| Other words | English translation |
| <i>Lekgotla</i> | Cabinet Forum |
| <i>Phakisa</i> | Accelerate |

**OVERVIEW
OF
PROVINCIAL REVENUE
AND
EXPENDITURE**

1. SOCIO-ECONOMIC OUTLOOK

1.1. Introduction

Global economic performance continues at a slow and weak recovery since 2010. This trajectory was also pertinent in 2014, whereby it performed lower than initially expected. Persistent weak global trade growth, particularly in the Euro area and Japan's experiences with stagnation or deflation, was one of the main contributors towards the global sluggish economic performance. Financial conditions were also fairly volatile as high-income economies tightened their monetary policy.

Several major forces are estimated to drive the global outlook during 2015, namely soft commodity prices, low oil price, as well as persistently low interest rates, but increasingly divergent monetary policies across major economies and weak global trade. In particular, the sharp decline in oil prices since mid-2014 will support global activity and help offset some of the obstacles to growth in oil-importing developing economies.

Overall, according to the International Monetary Fund (IMF, 2015), global growth is expected to rise moderately to 3.5 per cent in 2015, with an average of approximately 3.7 per cent by 2016. High-income countries are likely to achieve growth of about 2.4 per cent in 2015 and 2016, up from 1.8 per cent in 2014, on the back of gradually recovering labour markets, ebbing fiscal consolidation, and still-low financing costs.

In developing countries, growth is projected to remain broadly stable at 4.3 per cent in 2015 and to increase to 4.7 per cent in 2016. The three main factors cited as contributors towards the lower growth rate in emerging economies are: (i) lower growth in China, (ii) weaker outlook in Russia and (iii) the downward revisions to potential growth in commodity exporters (IMF, 2015). Lower oil prices will contribute to diverging prospects for oil-exporting and importing countries, particularly in 2015.

The year 2014 was difficult for the South African (SA) with the country having to deal with a number of external and domestic shocks. The prolonged strike at platinum mines was probably the single largest shock in the economy. The electricity outages also severely constrained investment in the SA economy. As a result of the above-mentioned shocks, the SA economy recorded growth of 1.5 per cent in 2014.

The World Bank, IMF, South African Reserve Bank (SARB) and National Treasury estimated that the country's economy would grow at 3.2 per cent, 2.8 per cent, 3 per cent and 2.7 per cent respectively, in January 2014. However, in June/July 2014, the estimates were severely cut down to 2.7 per cent, 2.3 per cent, 2.6 per cent and 2.5 per cent, respectively. Even as late as November 2014, further cuts were announced over and above the June/July downward revisions. In January 2015, this growth was revised downwards to less than 2 per cent. It is unanimously agreed, though, that a growth rate of approximately 2 per cent is not sufficient to provide the much needed employment for the country.

Therefore, there can be no justification for such a sluggish growth rate, especially given the population growth rate of about 2 per cent and the fact that Africa is growing at around 5.5 per cent.

Fortunately, 2015 seems to hold better prospects for the SA economy than 2014, especially given the recent steep oil price decreases. It is therefore within these circumstances that the priorities as outlined in both the National Development Plan (NDP) and the Medium-Term Strategic Framework (MTSF) need vigorous implementation.

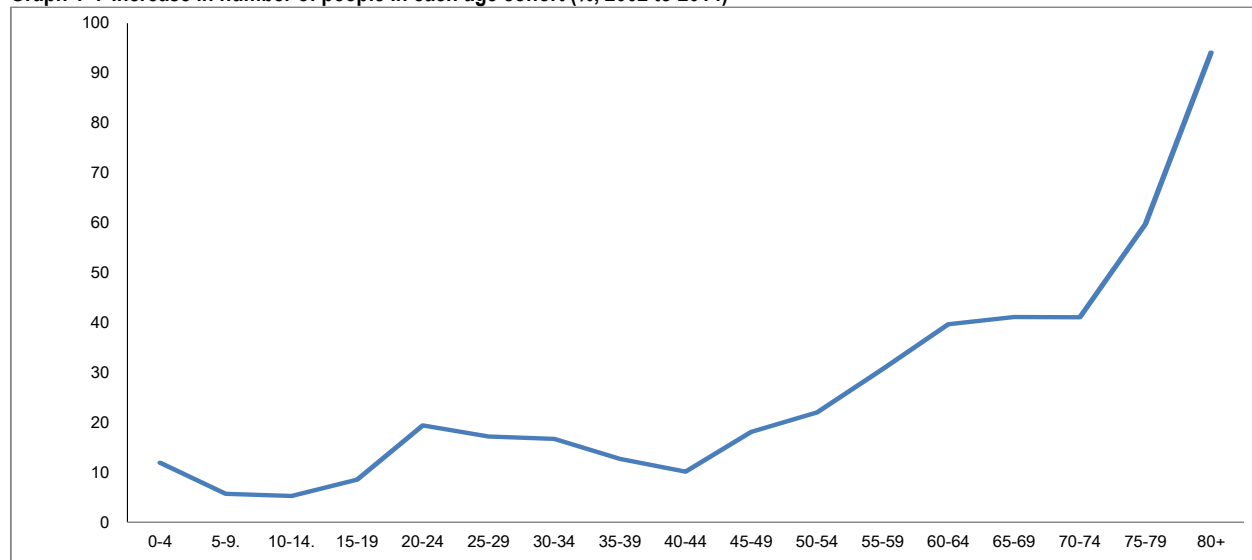
1.2 Provincial population dynamics

The number of people residing in the province increased from 9.1 million in 2002 to an estimated 10.69 million in 2014. The provincial contribution to the national population has decreased steadily since 2002 – i.e. from 19.98 per cent in 2002 to an estimated 19.80 per cent in 2014. There are also a number of other essential population trends that exist. The average population growth rate is increasing – i.e. from some 1.16 per cent in 2002 to an estimated 1.60 per cent in 2014. This is predominantly because of

migration, since the age 0 to 4 growth rate has decreased from a high of 2.95 per cent in 2006 to an estimated 0.8 per cent in 2014.

Graph 1 indicates the percentage increase (2002 to 2014) of the number of people in each age cohort in KZN. For example, the number of people in the age cohort 5 to 9 only increased by 5.7 per cent over a 12-year period, while the number of people in the age cohort 80 plus increased by 95 per cent over the same period. The average age in the province increased from approximately 10 years in 2002 to an estimated 20 years in 2014 – i.e. the average age of the population in KZN is increasing by about 1 per annum.

Graph 1 : Increase in number of people in each age cohort (% , 2002 to 2014)

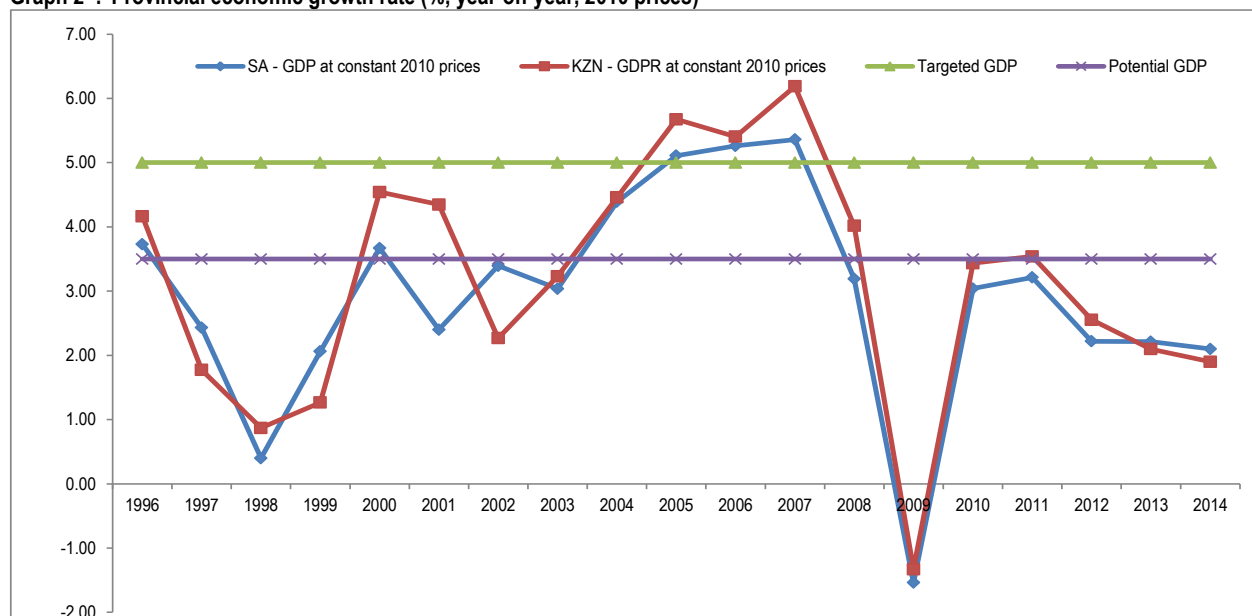


Source: Stats SA, 2014, own calculations

1.3 Provincial growth performance

Graph 2 displays the economic growth performance of the provincial economy compared to the national economy. The provincial potential growth rate is 3.5 per cent and, according to the Provincial Growth and Development Plan (PGDP, 2014), KZN targets a growth rate of 5.5 per cent. It is also relevant to consider the current provincial population growth rate of about 2.3 per cent.

Graph 2 : Provincial economic growth rate (% , year-on-year, 2010 prices)



Source: Stats SA, 2014. KZN Treasury GDP model, own calculations

The above information clearly demonstrates that the growth performance in the province is not at the stage which we, the people of KZN, can be proud of. The “good” news is that the provincial economy is not in a recession, which was a definite possibility during the middle part of 2014. The provincial contribution to the national economy improved marginally from some 15.2 per cent in 1996 to 16 per cent in 2013. It was especially the tertiary sectors that performed reasonably well over the period, while the primary and secondary sectors decreased proportionately from 8 per cent and 26 per cent to 6 per cent and 23 per cent, respectively.

The economic outlook for the province is somewhat more optimistic, primarily because of the lower oil prices which have already, and will continue to, put pressure on inflation which, in turn, will keep interest rates lower for longer. The lower oil prices should also improve the current depressed levels of consumer confidence and give consumers some debt breathing space. Consumer demand will especially support the property, motor, home improvement, furniture and savings sectors.

The weaker exchange rate and moderate improvement in global economic conditions should also support the KZN manufacturing and transport sectors. Unfortunately, continued electricity constraints, labour concerns, logistical bottlenecks, digital and un-competitiveness will hamper growth prospects for 2015. The provincial economic growth is therefore estimated at 2.4 per cent for 2015.

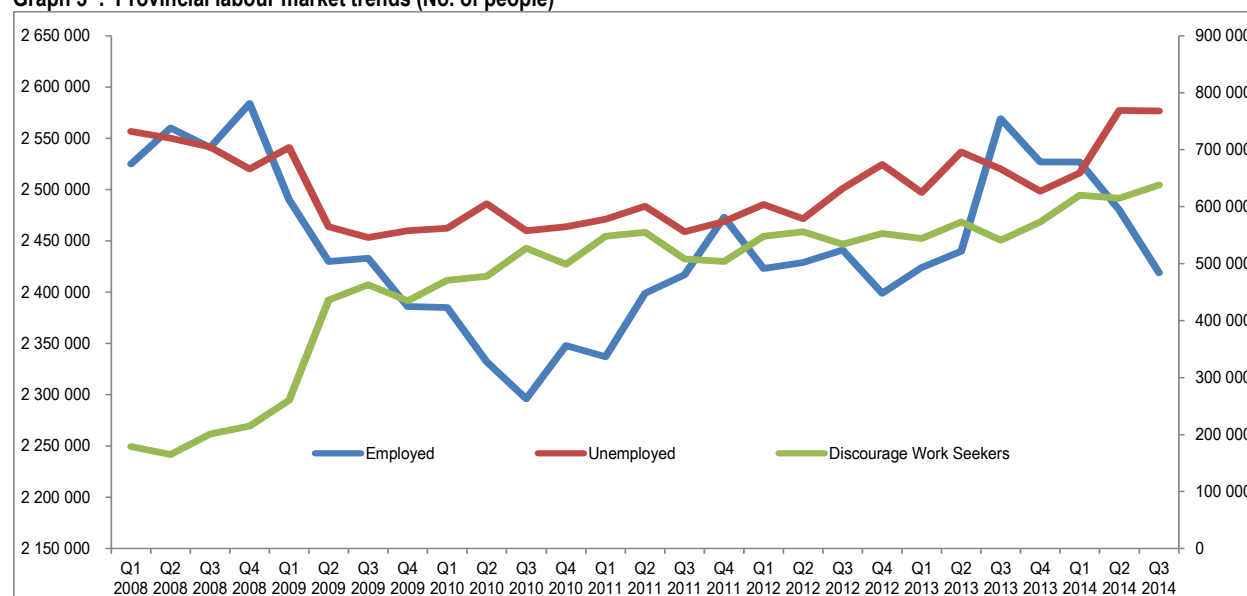
1.4 Provincial labour market

The working age population in the province increased by approximately 92 000 during 2014, while the labour force, number of employed people, number of unemployed people, number of not-active people and the number of discouraged work seekers changed by -48 000, -150 000, 102 000, 140 000 and 97 000, respectively. These numbers do not make for good reading, and bear testament to the dismal economic growth performance in recent years.

Graph 3 displays the increase in the number of unemployed (primary axis) and discouraged work seekers (secondary axis) in the province, since the economic recession. The fairly erratic employment trend is also clearly evident. The average provincial employment rate (labour absorption rate) for 2014 is estimated at 38 per cent, while the average unemployment and discouraged work seekers rate for 2014 is estimated at 22 per cent and 41 per cent, respectively.

Job losses occurred mainly in the agriculture (29 000), mining (13 000), manufacturing (9 000), trade (43 000), transport (27 000), finance (43 000) and private household (13 000) sectors during 2014. Job additions occurred in the construction (14 000), utilities (6 000) and community and social services (9 000) sectors during 2014.

Graph 3 : Provincial labour market trends (No. of people)



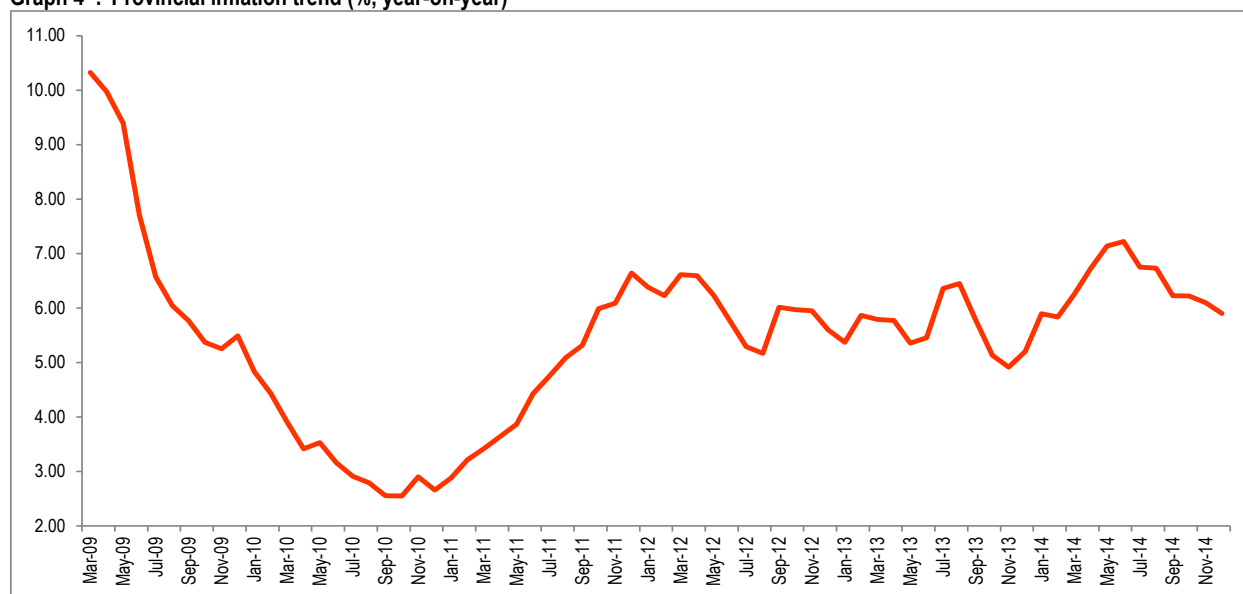
Source: Stats SA, 2014, own calculations

Employment in the province is estimated to decline further to about 2.3 million people in 2015 (estimated 120 000 job losses). It will again be the primary and secondary sectors that will be responsible for the majority of job losses during 2015. Mechanisation will gain further momentum during 2015 – i.e. labour substitution will gain pace as world competitiveness increases.

1.5 Prices in the provincial economy

As is evident in Graph 4, the inflation rate in the provincial economy has moved sideways since 2012. However, after fairly substantial increases in provincial inflation (because of substantial weakening of the currency) during 2014, the provincial inflation rate has been decreasing since the latter part of 2014, mostly due to lower oil prices.

Graph 4 : Provincial inflation trend (% , year-on-year)



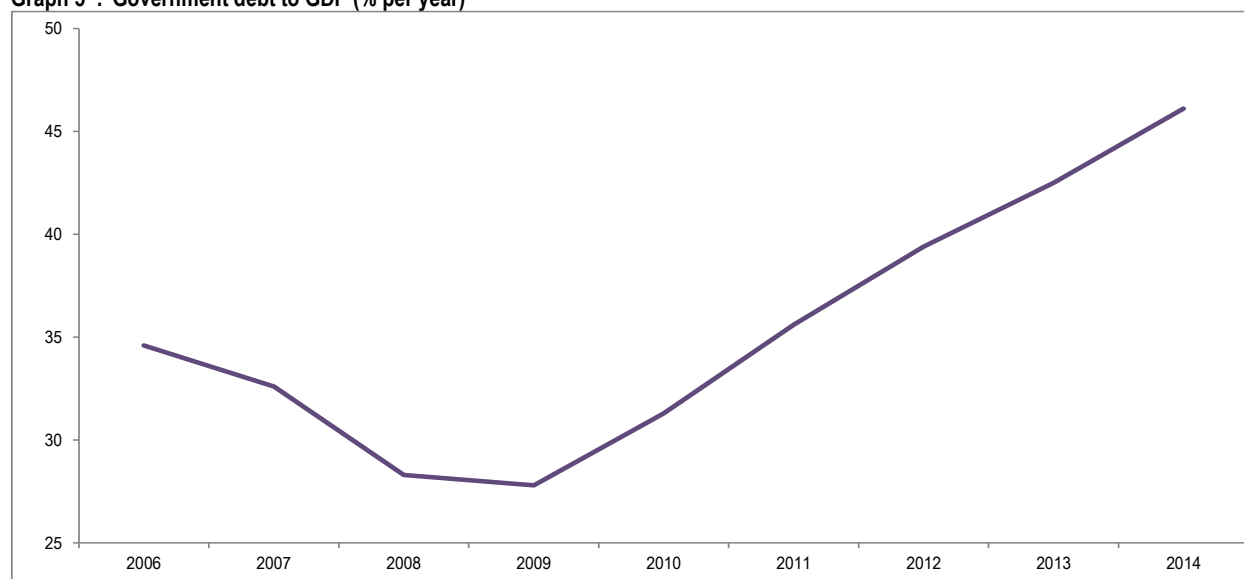
Source: Stats SA, 2014, own calculations

Price pressures continued on meat, milk, eggs and cheese, other food, books, newspapers and stationery, fruit and footwear products, with prices increasing by 12 per cent, 9 per cent, 8.06 per cent, 7.9 per cent, 7 per cent and 6.4 per cent, respectively during 2014. However, beer (4 per cent), postal services and telecommunication equipment (4.5 per cent), private transport (5 per cent), fish (5.7 per cent), and petrol (6.9 per cent) prices decreased during 2014. Further decreases in many of the inflation basket products and services are anticipated during 2015 because of the resulting effects of the lower fuel prices. Provincial inflation is estimated to decrease significantly during 2015, to about 4 per cent.

1.6 Fiscal and monetary policy

The outlook for both fiscal and monetary policy is fairly clear (almost rigid) for 2015. Fiscal policy will be very subdued – i.e. no significant increases in expenditure or tax cuts. The national fiscus (and the provincial fiscus for that matter) will continue to experience severe expenditure and revenue pressures because of the very high fiscal debt burden. Total national government debt has increased from R600 billion in 2009 to over R1.200 trillion in 2013. This high fiscal debt burden has eroded any possible fiscal space. The high fiscal debt burden (Graph 5) is also one of the primary reasons why rating agencies have downgraded SA's credit ratings, as was the case in July 2014 and November 2014. Decreasing government expenditure during low levels of economic growth and high unemployment will be politically risky, while increasing taxes will be economically risky.

Graph 5 : Government debt to GDP (% per year)

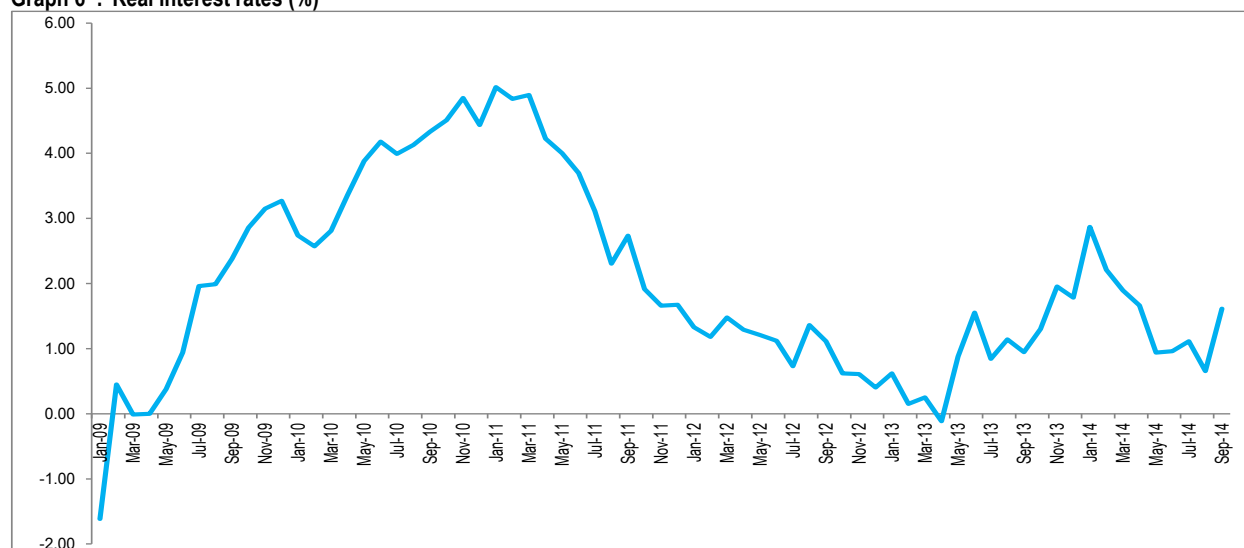


Source: SA Reserve Bank, 2014, own calculations

Monetary policy, on the other hand, is in a much better position, made possible by the lower oil prices and the modest strengthening of the currency over the past three months. Inflation was above the 6 per cent upper band of the SARB's targeted range for most of 2014. This compelled the SARB to increase interest rates by 0.5 per cent in January 2014 and 0.25 per cent in July 2014. Inflation is, however, expected to continue decreasing because of the past and future oil price decreases. The total impact on inflation will depend on the secondary price effects and the further strengthening of the currency. But it is not impossible for inflation to drift toward the 3 per cent lower band of the inflation target.

Therefore, there seems to be some monetary space becoming available for the SARB. The SARB may also be forced to decrease interest rates during the latter part of 2015 if real interest rates (nominal interest rates adjusted for inflation) continue to increase, therefore constraining economic growth through increased investment costs and lower international competitiveness. Graph 6 clearly suggests that real interest rates are increasing. The elephant in the room for the SARB may well be the currency. The SARB, in general, will have an inherent interest or bias toward a strong rather than a weak currency, given the currency's impact on inflation. In view of the volatility of global financial markets and the associated tightening of global financial conditions, the risk of capital flight from developing countries and the unsustainable high current account deficit, the optimal position for the SARB will most probably be to maintain the *status quo*.

Graph 6 : Real interest rates (%)



Source: SA Reserve Bank, 2014, own calculations

2. SUMMARY OF BUDGET AGGREGATES AND FINANCING

2.1 Introduction: Budget strategy – An overview

The 2013/14 MTEF budget saw significant cuts in the provincial equitable share allocation received from the national fiscus, with this reduction resulting from the 2011 Census data used to update the equitable share formula, where the data used did not work in the province's favour. KZN again lost some funds over the 2014/15 MTEF as a result of the annual updates of the data that informs the equitable share formula, with further funds being lost over the 2015/16 MTEF, in line with the fiscal consolidation efforts announced by the national Minister of Finance, with these being effected against all three spheres of government, against the equitable share and the conditional grant allocations.

Almost unprecedented, KZN receives no additional equitable share funds, except for an amount of R321.958 million in 2016/17 in line with a decision to extend the buffer funding that was allocated to losing provinces when the Census data cuts were effected by a further year. There are further reductions in the equitable share but these relate to function shifts of the Further Education and Training (FET) and Adult Education and Training (AET) functions to the Department of Higher Education and Training (DHET) in line with the principle that funds follow function. Port Health Services and parts of the National Health Laboratory Services (NHLS) also move to the National Department of Health (NDOH).

In view of these reductions, departments were told to look at strengthening efficiency savings which can be diverted to fund service delivery programmes. The provincial own revenue budgets were reviewed and resulted in a minor increase, in aggregate, of the revenue budgets in 2015/16 and 2016/17, and a decrease in 2017/18. The cost-cutting measures, which were first introduced in 2009/10, remain in place and have been enhanced, and are to be implemented together with those issued by National Treasury.

KZN continues to budget for a Contingency Reserve which is set at R750 million per year over the MTEF. The Contingency Reserve stays in place as there are spending pressures in the province, especially with regard to the NHLS, as well as the fact that National Treasury did not fund the 2014 wage agreement carry-through shortfall of 1 per cent.

The cornerstone of the 2015/16 budget strategy continues to be reprioritisation of the existing provincial budget, an enhanced focus on cost-cutting and maintaining a healthy Contingency Reserve. In summary, the 2015/16 budget strategy is underpinned by four elements, namely:

- Reprioritisation of the current budget.
- Continued implementation of fiscal austerity measures with realised savings being re-directed into service delivery spending.
- Sound cashflow management and increasing provincial own revenue.
- A stable fiscal framework which will ensure that the province has adequate resources to continue delivering the much needed services to the people of KZN.

2.2 Aligning provincial budgets to achieve government's prescribed outcomes

In preparing the 2015/16 budget, departments were requested to focus on the national outcomes, the NDP, PGDS and PGDP. The 14 national outcomes are listed below:

1. Quality basic education.
2. A long and healthy life for all South Africans.
3. All people in South Africa are and feel safe.
4. Decent employment through inclusive economic growth.
5. A skilled and capable workforce to support an inclusive growth path.
6. An efficient, competitive and responsive economic infrastructure network.
7. Comprehensive rural development and land reform.

8. Sustainable human settlements and improved quality of household life.
9. A responsive, accountable, effective and efficient local government system.
10. Environmental assets and natural resources that are well protected and continually enhanced.
11. Create a better South Africa and contribute to a better and safer Africa and World.
12. An efficient, effective and development oriented public service.
13. An inclusive and responsive social protection system.
14. Nation building and social cohesion.

2.3 Summary of budget aggregates

Table 2.1 provides an analysis of the overall provincial budget performance by comparing total receipts against total payments, resulting in a surplus or deficit before financing over the seven-year period. The table also provides the details of the financing items and amounts to provide the net position after financing for each financial year. The data for 2011/12 to 2013/14 is based on audited receipts and payments, while the 2014/15 figures provide a revised estimate position as at the end of December 2014. The 2015/16 to 2017/18 data reflects the budgeted receipts and payments for the MTEF.

The detailed analysis of provincial total receipts and payments is given in Sections 4 and 5 of this *Overview of Provincial Revenue and Expenditure (OPRE)*.

Table 2.1 : Provincial budget summary

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------------|--------------------|--------------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| | | | | 2014/15 | | | | | |
| Provincial receipts | | | | | | | | | |
| Transfer receipts from national | 76 241 558 | 82 590 160 | 88 230 571 | 93 728 450 | 93 938 177 | 93 738 177 | 99 134 621 | 104 269 522 | 110 147 510 |
| Equitable share | 63 584 195 | 68 638 663 | 73 926 587 | 78 138 477 | 78 138 477 | 78 138 477 | 82 253 946 | 86 885 446 | 91 429 978 |
| Conditional grants | 12 657 363 | 13 951 497 | 14 303 984 | 15 589 973 | 15 799 700 | 15 599 700 | 16 880 675 | 17 384 076 | 18 717 532 |
| Provincial own receipts | 2 726 959 | 2 642 481 | 2 772 246 | 2 783 644 | 2 783 644 | 2 876 062 | 2 995 146 | 3 189 356 | 3 342 373 |
| Total provincial receipts | 78 968 517 | 85 232 641 | 91 002 817 | 96 512 094 | 96 721 821 | 96 614 239 | 102 129 767 | 107 458 878 | 113 489 883 |
| Provincial payments* | | | | | | | | | |
| Current payments | 61 447 541 | 66 330 105 | 71 965 059 | 77 160 481 | 77 545 565 | 77 178 395 | 83 026 013 | 87 856 573 | 92 987 823 |
| Transfers and subsidies | 9 072 353 | 9 749 034 | 11 420 033 | 10 884 317 | 11 309 878 | 11 553 157 | 11 049 595 | 11 368 459 | 11 955 060 |
| Payments for capital assets | 7 108 181 | 8 520 531 | 8 186 603 | 8 142 008 | 7 854 355 | 7 763 063 | 7 728 031 | 7 500 369 | 7 690 999 |
| Payments for financial assets | 26 265 | 11 012 | 38 511 | 2 500 | 3 273 | 4 081 | 157 598 | 157 055 | 139 500 |
| Total provincial payments | 77 654 340 | 84 610 682 | 91 610 205 | 96 189 306 | 96 713 071 | 96 498 696 | 101 961 237 | 106 882 456 | 112 773 383 |
| Lending | | | | | | | | | |
| Surplus/(deficit) before financing | 1 314 177 | 621 959 | (607 388) | 322 788 | 8 750 | 115 543 | 168 530 | 576 422 | 716 500 |
| Financing | 376 891 | 1 475 475 | 2 194 843 | 508 333 | 841 403 | 841 403 | 581 470 | 173 578 | 33 500 |
| Provincial roll-overs | 255 216 | 180 803 | 207 370 | - | 145 795 | 145 795 | - | - | - |
| Provincial cash resources | 119 119 | 1 295 421 | 1 989 032 | 508 333 | 695 345 | 695 345 | 581 470 | 173 578 | 33 500 |
| Surplus Own Revenue surrendered | (953) | (1 702) | (3 261) | - | - | - | - | - | - |
| Suspension to ensuing year | 3 509 | 953 | 1 702 | - | 263 | 263 | - | - | - |
| Surplus/(deficit) after financing | 1 691 068 | 2 097 434 | 1 587 455 | 831 121 | 850 153 | 956 946 | 750 000 | 750 000 | 750 000 |

In aggregate, KZN recorded a surplus after financing in 2011/12, 2012/13 and 2013/14, demonstrating the success of the Provincial Recovery Plan which was first implemented in the province in 2009/10. Careful cash and budget management has meant that the province has spent very close to on-budget for the past few years, and has remained cash positive in terms of the provincial bank balance.

The Revised Estimate for 2014/15 in Table 2.1, which is based on the December IYM, indicates that the surplus will be R956.946 million, if the current spending patterns and projections of departments are taken into account. This is the result of projected over-collection of Own Revenue of R92.418 million, projected under-expenditure of R214.375 million, while continuing to budget for a surplus in excess of R600 million. This surplus was kept in place to protect the province from going into overdraft again in the event that the departments find it difficult to remain within their reduced baselines. The surplus is also being used for allocation to departments in future years to fund various provincial priorities.

KZN continues to budget for a Contingency Reserve over the 2015/16 MTEF which is set at R750 million per year over the MTEF. This Contingency Reserve was reduced from the approximately R1 billion that was previously budgeted and the funds released were used to assist in funding the fiscal consolidation cuts implemented on all three spheres of government. The Contingency Reserve stays in place for various

reasons. First of all, the outcome of the 2015 wage negotiations is not known. If National Treasury once again does not fund any portion of this, the province will have to fund this from within its baseline. Secondly, the negotiations regarding the amount that KZN owes to NHLS are still ongoing. This debt could place a significant demand on the provincial fiscus. It is therefore prudent to keep a Contingency Reserve that will act as a buffer in the event that these potential cost pressures become reality.

2.4 Financing

Contingency Reserve

The total provincial receipts exceed the total provincial payments over the 2015/16 MTEF, thereby reflecting a surplus budget before and after financing. This indicates that not all financial resources available to the province have been allocated to the 15 provincial Votes for spending. This is purposely done, and this Contingency Reserve is kept to protect the province against any fiscal shocks that may occur, and to act as a buffer for various contingent liabilities that exist.

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

The province implemented the first charge rule (in terms of Section 34(2) of the PFMA) for the first time in 2009/10. This meant that the affected departments saw a reduction in their budgets available for spending, in order to pay back the over-expenditure they had incurred in prior years. Important to note and understand, though, is that these amounts are not removed from their budgets as such, but are allocated to *Payments for financial assets* to allow the necessary accounting treatment thereof.

Cost-cutting measures

Cost-cutting has been in place in KZN since 2009/10. The aim of cost-cutting is to reduce expenditure on “frills” and “nice to haves” and rather re-direct these funds into service delivery areas. These cost-cutting measures, which are listed below, are updated and re-issued to departments each year and will remain in place as they are critical elements of good governance, rather than a once-off initiative to contain costs. It is imperative that these cost-cutting measures continue to be implemented by departments and public entities in view of the significant equitable share baseline cuts that have affected KZN’s fiscal resources over the past few years. These cost-cutting measures should be departments’ and public entities’ first area to delve into when cutting back their spending to remain within their reduced baselines. Once all efficiency savings have been realised, only then should departments and public entities look at cutting service delivery spending, including infrastructure spending. In addition to the provincial cost-cutting measures, National Treasury has issued Instruction 01 of 2013/14: Cost containment measures which all levels of government must adhere to. KZN has reviewed the 2014/15 cost-cutting measures and further cost-cutting measures were added to the list and were approved by the Committee of HODs (COHOD) in December 2014 and by the Cabinet *Lekgotla* in February 2015. The updated provincial cost-cutting measures read as follows:

- All departments to undertake a proper organogram review to **eliminate non-essential posts**.
- Any newly proposed organogram that proposes the addition of posts to staff establishments **may not be implemented** until the country’s period of fiscal consolidation is over.
- **Moratorium** on the filling of **non-critical** posts. Accounting Officer and CFO to determine which posts are critical and may be filled.
- Departments to undertake **headcounts** to eliminate ghost employees.
- Freeze budgets for non-essential goods and services at 2014/15 levels.
- No. of events held by departments must be strictly kept at no more than 24 per annum, as approved by Cabinet (it was approved by Cabinet that, for an event with 3 500 community members, this event should not cost more than R1 million to host. For events where 1 500 to 2 000 community members attend, these events may not cost more than R500 000 – R700 000 per event).
- Cost per event to be adhered to, as per guidelines given in the cost-cutting circular.
- No musicians or other performing artists to be used at these events as these come at exorbitant fees.

- No tracksuits, t-shirts or other promotional materials to be handed out at events (exceptions to be approved by Provincial Treasury).
- VIP catering to be kept to a minimum and should only be for specifically invited dignitaries and not for government employees (except for HODs).
- Furniture and equipment purchases to be approved by the Accounting Officer and the CFO. All furniture and equipment to be purchased should be standardised according to staff designations.
- Explore energy saving projects with an aim of reducing electricity and water usage.
- Timeous planning to ensure market related prices are charged by service providers.
- Database of local service providers per municipality and fixed prices per commodity to ensure exorbitant prices are not charged.
- Departments to provide listing of events to be held in 2015/16 for synergies and sharing of costs to be realised.
- Departments to share databases for government and community venues to minimise use of private venues.
- Marquees and catering costs for events to be reduced through timeous procurement (end fixed contracts with just one service provider – look at panel of events co-ordinators instead).
- S&T – only essential trips to be undertaken. Review the allowances for all categories of S&T.
- Monthly mileage restrictions to be adhered to and officials to use one hired car for meetings outside KZN (synergy between departments attending same meetings).
- Cell phone, landline and data bundle costs to be reviewed and limitations in respect of usage and approval of these services to be effected. Stricter cell phone limits to be introduced.
- Responsibility managers to ensure co-ordinated travel to reduce costs.
- Meetings and workshops to be held where the majority of the officials reside/work (50% + 1).
- Departments to develop an integrated annual calendar so that meetings and workshops are properly co-ordinated to reduce travel costs.
- Ensure that meetings start at reasonable time to reduce need to sleep over. Cut down on unnecessary overnight accommodation.
- Assessment must be done between road travel to end destination vs distance to airport (e.g. cheaper for a person from Newcastle to travel to Jhb by road than to drive to Dbn to take a flight to Jhb).
- Hiring of offices: government-owned properties should be utilised as far as possible to avoid costs.
- Proper planning of events to be undertaken to reduce costs. Core planning team to co-ordinate all events in the department to ensure value for money.
- Events – current standardised specifications should be reviewed to reduce costs.
- Number of officials attending events to be kept at an absolute minimum.
- Departments to use transversal contracts for inventory items such as stationery, nappies, baby food, medication, etc.
- Essential training be done in-house (exceptions to be approved by the HOD).
- Overseas trips be rationalised with the number of delegates being kept to a minimum.
- Business class travel only for MECs and HODs (and MPLs, where applicable).
- Car hire bookings – class of vehicle to be lowered.
- Catering for meetings be stopped (exceptions to be approved by the HOD, but there should be no catering for internal meetings).
- Kilometre controls be implemented on travelling (average of 2 500 kilometres per month per official unless there are exceptional circumstances – exceptions to be approved by the HOD).

- Officials to travel together unless absolutely unavoidable.
- Departments and public entities must plan meetings carefully and rationalise the number of meetings held (it seems that staff from regions/districts are sometimes called to head office meetings organised by different units on various different days, requiring them to travel to and from the regions/districts frequently. These meetings must be co-ordinated and planned between the various units to reduce the wastage of time and money).
- Only essential trips be undertaken.
- Internal meetings, strategic planning sessions and workshops to be held in departments' offices instead of private venues (exceptions to be approved by Provincial Treasury). Where Provincial Treasury approval is requested, proof must be given that all other avenues have been exhausted before a private venue will be approved.
- External meetings, workshops and events to be held in government facilities instead of private venues (exceptions to be approved by Provincial Treasury). Use of marquees to only be considered where such events could not be held in municipal halls, school halls, FET College facilities, etc. Where Provincial Treasury approval is being requested, proof must be provided that all other avenues have been exhausted before a private venue will be approved.
- No team building exercises or year-end/Christmas functions (only permitted if paid for by the staff themselves).
- Where there are one-day meetings in other provinces, officials must travel there and back on the same day (where possible).
- When printing APPs, SPs, Annual Reports, etc., departments and public entities must minimise the use of colour pages in their documents, as well as to use a lighter weight of pages and covers. Look at the feasibility of using electronic distribution (e.g. compact discs) to reduce costs. Gold and silver embossed letterheads may not be used.
- No leave conversion payments (leave to be taken) – this does not apply to leave pay-outs when staff are exiting the public service.
- Strict control of overtime.
- No bottled water may be procured for meetings, etc.

Sources of financing

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

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

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

Suspensions to ensuing years in Table 2.1 relates only to the Provincial Legislature and occurs when the Legislature, in terms of Section 22(1) of the PFMA, retains its own revenue.

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

3.1 The 2015/16 MTEF budget process in brief

3.1.1 Treasury Guidelines circular

The preparation and distribution of the *Treasury Guidelines* document marked the start of the 2015/16 MTEF budget process. This document explains the policy framework and format which departments must use to prepare the 2015/16 MTEF budget submissions.

The 2015/16 budget process focuses on the compilation of reprioritised budgets and service delivery that is aligned to the 14 national outcomes, the NDP, the PGDP and the PGDS. As in the previous three MTEF cycles, departments were asked to continue implementing the expanded cost-containment measures first introduced as part of the Provincial Recovery Plan in 2009/10, and to redirect any savings realised from this into service delivery. Departments were also requested to try and fund any new priorities through reprioritisation. As in previous budget processes, departments were directed to consider the budget proposals received from public entities. The social sector departments, being Health, Education and Social Development, were requested to cost the agreed to national priorities which require additional funding, as well as to cost a maximum of two provincial 'initiatives'. The other departments were requested to identify and cost a maximum of two 'initiatives'. The public entities were also given the opportunity to cost two 'initiatives'. It was also emphasised that, due to the 2011 Census budget cuts and further cuts to the province's equitable share in 2014/15, 'initiatives' were to be 'once-off' in nature, as the fiscus would likely not be able to accommodate any carry-through costs. It was only after National Treasury indicated the fiscal consolidation cuts that it became clear that the province would not be able to fund any new spending areas.

3.1.2 Initiative measurement criteria

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

- Evidence that the initiative contributes to government policy priorities, as well as being clearly aligned to the PGDP.
- Credible service delivery information.
- Alignment of the initiative to the core functions of the department/public entity.
- Evidence of financial controls and/or reprioritisation of savings to service delivery.
- Evidence that the department/public entity underwent thorough reprioritisation with a view to fund part of the initiative from within its budget.
- Is the costing/initiative realistic?
- Was there adequate political involvement in the budget formulation process?

In terms of the rating exercise, each of the first four criteria translated to '2' points if complied with, and a '0' if not. A higher score was accorded to the first four criteria, simply because they were seen as being essential. An initiative therefore could score a maximum of 11 points or 100 per cent. The Medium-Term Expenditure Committee (MTEC) then reviewed each and every funding request and made proposals to the Ministers' Committee on the Budget (MinComBud) and Cabinet. At this stage of the budget process, the province had not yet been informed by National Treasury of the fiscal consolidation cuts.

3.1.3 Allocation process

MTEC met with all 15 provincial departments and the Provincial Legislature in September 2014, as well as their related public entities. As was the case in the previous cycle, the MTEC for the 2015/16 MTEF

cycle indicated that the meetings were taking place during difficult times as SA's debt service-costs are rising faster than any other expenditure in the national fiscal framework. The reason is that public spending is rising faster than revenue collection and the country is not financing capital investments from borrowing, but current government consumption spending. Also, KZN was significantly negatively affected by the update of the equitable share formula using the 2011 Census data which resulted in substantial reductions in the province's equitable share, as well as further equitable share formula amendments in 2014/15 that were not in the province's favour, resulting in further budget cuts. This means that the province is not in a position to introduce new projects and programmes which have carry-through costs unless existing projects and programmes are stopped/delayed. Also, while KZN's cash position remained positive, the province felt that it should continue to be prudent in allocating its resources, especially in view of the in-year spending pressures experienced by some departments, and the above-mentioned equitable share reductions. In addition, National Treasury had already suggested that further cuts were likely (to both conditional grants and the equitable share). Accordingly, it was considered advisable to look at funding requests which had once-off funding requirements, especially in view of the fact that the province was protected by the full impact of the Census data updates through buffer funding provided by National Treasury, and it was likely that this buffer funding would fall away from 2016/17 resulting in another fiscal cliff which the province would have to contend with. As such, funding requests which had carry-through implications beyond 2016/17 were not considered at all.

When MTEC met, National Treasury indicated that there would be no additional funding allocated to provinces, and that, as mentioned, cuts were possible. National Treasury was attempting to reduce all levels of government's consumption spending in view of the country's high debt-service costs.

Table 3.1 indicates the departments' requests for additional funding as they were submitted as part of the 2015/16 MTEF process.

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

| R thousand | Amounts requested | | | |
|---|-------------------|----------------|----------------|------------------|
| | 2015/16 | 2016/17 | 2017/18 | Total |
| 1. Office of the Premier | 41 960 | 34 761 | 41 013 | 117 734 |
| 2. Provincial Legislature | 9 500 | - | - | 9 500 |
| 3. Agriculture and Rural Development | 326 070 | 191 264 | 129 609 | 646 943 |
| 4. Economic Development, Tourism & Enviro. Affairs | 839 879 | 222 563 | 38 833 | 1 101 275 |
| 5. Education | 73 755 | 19 300 | 18 300 | 111 355 |
| 6. Provincial Treasury | 17 000 | 15 900 | 18 800 | 51 700 |
| 7. Health | 251 632 | - | - | 251 632 |
| 8. Human Settlements | - | - | - | - |
| 9. Community Safety and Liaison | 40 000 | - | - | 40 000 |
| 10. The Royal Household (moved to OTP) | 36 200 | 4 688 | - | 40 888 |
| 11. Co-operative Governance and Traditional Affairs | 93 765 | - | - | 93 765 |
| 12. Transport | 868 315 | - | - | 868 315 |
| 13. Social Development | 264 112 | 196 198 | 77 225 | 537 535 |
| 14. Public Works | 12 930 | - | - | 12 930 |
| 15. Arts and Culture | 704 502 | - | - | 704 502 |
| 16. Sport and Recreation | - | - | - | - |
| Total | 3 579 620 | 684 674 | 323 780 | 4 588 074 |

Note: The public entities' requests are included in their parent departments' totals

All funding requests had to be very critically assessed in view of the probability of no additional funding being received from the national fiscus, the Census-based baseline cuts from the 2013/14 MTEF, as well as the impending removal of the buffer funding by National Treasury. It is worthwhile noting that, in spite of sizeable growth rates already in most departments' baseline budgets, averaging 4.9 per cent (see Table 3.3), departments and public entities requested, in total, R3.580 billion, R684.674 million and R323.780 million over the 2015/16 MTEF (a total of R4.588 billion over the three years of the MTEF). Many of the requests for additional funding were based on sound principles and fared well when assessed in terms of the criteria mentioned above. However, the provincial baseline cuts imposed by National Treasury did not allow the province to fund any of these requests.

With the exception of the Departments of Human Settlements (DOHS) and Sport and Recreation (DOSR), all departments submitted requests for additional funds, with the largest coming from the entities falling under the Department of Economic Development, Tourism and Environmental Affairs (DEDTEA) and its entities, the Department of Transport (DOT), the Department of Arts and Culture

(DAC) and the Department of Agriculture and Rural Development (DARD) and its entities. These departments requested additional amounts of R2.034 billion, R413.827 million and R168.442 million, respectively, over the 2015/16 MTEF. DOT requested additional funds to reduce the construction backlog of the road network. While DEDTEA did not request additional funding, its entities requested funds for various issues, including the acquisition of land by the Richards Bay Industrial Development Zone (RBIDZ) and turn-around funding for Ithala Development Finance Corporation (Ithala), while Ezemvelo KZN Wildlife (EKZNW) requested funds for rhino security and infrastructure improvements. DARD requested additional funds for Makhathini.

MinComBud and Cabinet meetings were convened from September 2014 to January 2015 to consider the 2015/16 provincial fiscal framework, with these forums providing direction in terms of the provincial fiscus each step of the way. Cabinet was kept updated when National Treasury indicated that further cuts were going to impact on KZN, mainly due to the period of fiscal consolidation announced by the National Minister of Finance in his MTBPS speech in October 2014. These cuts were to affect conditional grant, as well as equitable share funding.

The allocation letter from National Treasury then indicated the fiscal consolidation cuts, as well as reductions in the province's equitable share as a result of data updates. Also, nearly unprecedented is that National Treasury did not allocate funds for any national priorities, nor did they provide funding for the 2014 above-budget wage agreement carry-through costs. This meant that, instead of allocating funds to departments, the province had to find ways to deal with these reductions. These reductions were dealt with as follows:

- Capping the Contingency Reserve at R750 million per annum.
- Providing 40 per cent of the funding relating to the carry-through costs of the 2014 wage agreement for Education and Health only. The remaining departments had to fund these costs from within their own baselines.
- The Strategic Cabinet Initiatives fund would be stopped for the period of fiscal consolidation.
- The government office precinct project would be stopped for the period of fiscal consolidation.
- Some funds were allocated from the 2014/15 provincial cash resources.

Details of the additional allocations over the 2015/16 MTEF, per department, are provided in Table 3.4.

3.2. Provincial fiscal framework

Table 3.2 summarises the provincial fiscal framework for the 2015/16 MTEF budget. The difference between the baseline and the revised allocations (Section 1 of the table) yields the additional resource made available to KZN, or the reductions affecting the province where this movement is negative.

Table 3.2 : Summary of provincial fiscal framework

| R thousand | 2015/16 | 2016/17 | 2017/18 |
|--|--------------------|--------------------|--------------------|
| 1. Receipts | | | |
| Baseline Allocation | 103 665 526 | 106 474 835 | 110 859 962 |
| Transfer receipts from national | 100 671 247 | 103 286 051 | 107 511 739 |
| Equitable share | 83 347 554 | 87 887 479 | 92 113 167 |
| Conditional grants | 17 323 693 | 15 398 572 | 15 398 572 |
| Provincial own receipts | 2 994 279 | 3 188 784 | 3 348 223 |
| Increase / (Decrease) in allocation | (1 535 759) | 984 043 | 2 629 921 |
| Transfer receipts from national | (1 536 626) | 983 471 | 2 635 771 |
| Equitable share | (1 093 608) | (1 002 033) | (683 189) |
| Conditional grants | (443 018) | 1 985 504 | 3 318 960 |
| Provincial own receipts | 867 | 572 | (5 850) |
| Revised allocation | 102 711 237 | 107 632 456 | 113 523 383 |
| Transfer receipts from national | 99 134 621 | 104 269 522 | 110 147 510 |
| Equitable share (after update of formula data & fiscal consolidation cuts) | 82 253 946 | 86 885 446 | 91 429 978 |
| Conditional grants | 16 880 675 | 17 384 076 | 18 717 532 |
| Provincial own receipts | 2 995 146 | 3 189 356 | 3 342 373 |
| Provincial cash resources | 581 470 | 173 578 | 33 500 |
| 2. Planned spending by departments | 101 961 237 | 106 882 456 | 112 773 383 |
| 3. Contingency Reserve | 750 000 | 750 000 | 750 000 |

The provincial equitable share allocation decreases in 2015/16 by R1.094 billion, R1.002 billion in 2016/17 and R683.189 million in 2017/18. This is the effect of the period of fiscal consolidation, due to the decrease in the provincial equitable share, as well as various function shifts, including among others, Port Health (to NDOH), FET and AET functions (to DHET) and aspects of the NHLS costs (to NDOH). There are a number of changes to the conditional grant allocations over the 2015/16 MTEF, with these decreasing by R443.018 million in 2015/16, but increasing by R1.986 billion in 2016/17 and R3.319 billion in 2017/18. The increases in the outer years relate mainly to the Health Facility Revitalisation and Education Infrastructure grants' baselines. This was due to concerns expressed by provinces over the difficulty in planning ahead without knowing allocations for the two outer years, and the grant is now amended to show an indicative base allocation for the outer years. Besides this, various grants are reduced or amended, as follows:

The **Comprehensive Agriculture Support Programme (CASP) grant** is increased to fund disaster damaged agricultural infrastructure. The **Land Care grant** and the **Ilima/Letsema Project grant** are marginally reduced over the first two years of the MTEF due to fiscal consolidation, with growth in 2017/18. These reductions to the allocations on the Land Care and Ilima/Letsema Project grants are made to all nine provinces.

Increases are made to the **Education Infrastructure grant**, and the grant shows an indicative base allocation for the two outer years of the 2015/16 MTEF. The grant also receives an additional allocation in 2015/16, as the grant is incentive based and the required planning documents were submitted.

The **FET Colleges Sector grant** ceases at the end of 2014/15, with this function being moved to DHET from 2015/16. As such, this grant is removed from the province's conditional grant baseline.

The **Technical Secondary Schools Recapitalisation grant** and the **Dinaledi Schools grant** are being combined into a new **Maths, Science and Technology grant**. The new grant's baseline is the sum of the baseline allocations of the two previous grants. These similar and over-lapping programmes can be better administered and expanded to reach more schools through combining the grants. Reductions in this new grant relate to fiscal consolidation cuts.

The **HIV and AIDS (Life-Skills Education) grant** is affected by the fiscal consolidation cuts.

The Department of Basic Education (DBE) plans to increase the scope of the **National School Nutrition Programme (NSNP) grant** by adding a deworming programme to the grant purpose and reweighting the focus on feeding the pupils to placing more focus on the nutritional outcome of the meals, with funding added in 2017/18. This grant was protected from the fiscal consolidation cuts.

The **Health Facility Revitalisation grant** increases in 2015/16 as a result of the province submitting the required planning documents to National Treasury, with R138.843 million added to the baseline. Of this amount, R198 000 is ring-fenced in 2015/16 for the repairing of clinics as a result of disaster incidents that occurred in 2014/15. In addition, the grant is provided with funding in 2016/17 and 2017/18 due to concerns expressed by provinces over the difficulty in planning ahead without knowing allocations for the two outer years. The "incentive" allocations for the two outer years remain unallocated at National Treasury and will be accessible to provinces when the next round of planning documents are submitted for the 2016/17 MTEF.

With regard to the **Comprehensive HIV and AIDS grant**, the decrease over the MTEF relates to funding for the NHLS. It has been agreed that the funding of some functions would move from the provincial sphere to the national sphere. These functions relate to the National Institute of Communicable Diseases (NICD), the National Institute of Occupational Health (NIOH), the National Cancer Registry (NCR) and the teaching, training and research functions of the NHLS. These functions are currently funded through a combination of cross-subsidisation within the NHLS tariffs and a subsidy from the NDOH. The funding shift is being moved from both the department's equitable share and from the **Comprehensive HIV and AIDS grant** on a 60:40 basis. There is significant growth in 2017/18.

The **Health Professions Training and Development grant**, the **National Health Insurance grant** and the **National Tertiary Services grant** all see minor reductions in 2015/16 and 2016/17 due to fiscal consolidation cuts.

The **Human Settlements Development grant (HSDG)** sees a reduction in 2015/16 and 2016/17, partly due to the fiscal consolidation effects, as well as funds being reprioritised from all provinces to the Housing Development Agency (HAD) which is taking on an expanded mandate that includes some of the planning and project development work that was previously carried out by provinces. This budget move therefore adheres to the principle that funds follow function.

The **Provincial Roads Maintenance grant** sees an amount of R30.241 million in 2015/16 being ring-fenced for repairing roads damaged by disasters. In addition, this grant sees a reduction as a result of an amount of R149 million over the MTEF (R45.500 million in 2015/16, R48.500 million in 2016/17 and R55 million in 2017/18) being reduced from all provinces. These funds will be allocated to the South African Road Agency Limited (SANRAL) for the upgrade of the R573 Moloto Road which is expected to be transferred to SANRAL. This funding for the upgrade of the R573 Moloto Road is contingent on the road being transferred from the relevant provinces (Gauteng, Mpumalanga and Limpopo) to SANRAL.

The **Public Transport Operations grant**, the **Community Library Services grant** and the **Mass Participation and Sport Development (MPSD) grant** are reduced in 2015/16 and 2016/17 due to fiscal consolidation.

The provincial own receipts increase by R867 000 in 2015/16 and R572 000 in 2016/17, while reducing by R5.850 million in 2017/18. The marginal increases are mainly due to ongoing Revenue Bilaterals being held by Provincial Treasury with departments, wherein these were encouraged to critically review all revenue budgets and to bring them in line with historical revenue collections. The decrease is due to DOT keeping motor vehicle licence fee increases low to align their fees with other provinces.

Section 2 of Table 3.2 gives the planned spending of departments, based on their MTEF allocations. The table also indicates that some of the additional funding provided to departments over the MTEF was funded using provincial cash resources which became available due to the positive net financial position realised in 2013/14 and 2014/15.

After deducting this from the province's updated national and provincial receipts, KZN remains with a Contingency Reserve of R750 million in each of the three MTEF years (see Section 3). Table 3.4 in Section 3.3.2 then indicates the amounts allocated to departments in addition to their baseline allocations, from provincial cash resources, as well as funds moving from the provincial to the national fiscus due to various function shifts.

3.3 Summary of additional allocations for the 2015/16 MTEF

3.3.1 Existing growth in the 2014/15 MTEF baseline allocation

Table 3.3 shows the baseline budgets for the 2014/15 MTEF period before any changes made as part of the 2015/16 budget process.

This serves as a reminder that most departments' baselines for the MTEF showed positive rates of growth, although this may differ in terms of level.

Only one department shows negative growth, Provincial Treasury. Provincial Treasury's negative growth rate of 1.2 per cent resulted from the removal of the Strategic Cabinet Initiatives fund from the baseline from 2015/16, to assist in the cushioning of departments from the effects of the fiscal consolidation cuts.

The Department of the Royal Household (DRH) shows negative growth of 100 per cent as the department is merged with the Office of the Premier (OTP) from 2015/16, as per a Presidential proclamation, and comparatives were restated accordingly.

Table 3.3 : Existing growth rates in 2014/15 MTEF baseline budgets

| R thousand | Main Appropriation | Medium-term baseline budgets | | | Ann. % growth |
|---|--------------------|------------------------------|--------------------|--------------------|---------------|
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 14/15-17/18 |
| 1. Office of the Premier | 751 370 | 734 679 | 768 389 | 806 808 | 2.4 |
| 2. Provincial Legislature | 491 186 | 455 994 | 480 352 | 504 370 | 0.9 |
| 3. Agriculture and Rural Development | 2 133 126 | 2 169 690 | 2 267 790 | 2 381 180 | 3.7 |
| 4. Economic Development, Tourism & Enviro. Affairs | 2 883 969 | 2 961 038 | 3 076 300 | 3 230 115 | 3.9 |
| 5. Education | 38 918 092 | 42 572 680 | 42 881 812 | 45 025 903 | 5.0 |
| 6. Provincial Treasury | 878 315 | 803 898 | 807 503 | 847 878 | (1.2) |
| 7. Health | 30 914 196 | 32 881 579 | 33 821 760 | 35 512 848 | 4.7 |
| 8. Human Settlements | 3 600 282 | 3 656 033 | 3 907 814 | 4 103 205 | 4.5 |
| 9. Community Safety and Liaison | 181 295 | 186 069 | 198 470 | 208 394 | 4.8 |
| 10. The Royal Household (moved to OTP) | - | - | - | - | (100.0) |
| 11. Co-operative Governance and Traditional Affairs | 1 348 076 | 1 362 669 | 1 435 607 | 1 507 387 | 3.8 |
| 12. Transport | 9 060 595 | 9 504 027 | 10 001 955 | 10 502 053 | 5.0 |
| 13. Social Development | 2 497 952 | 2 627 481 | 2 767 560 | 2 905 938 | 5.2 |
| 14. Public Works | 1 369 361 | 1 372 793 | 2 046 221 | 2 148 532 | 16.2 |
| 15. Arts and Culture | 705 112 | 806 706 | 805 982 | 846 281 | 6.3 |
| 16. Sport and Recreation | 456 379 | 413 293 | 435 024 | 456 775 | 0.0 |
| Total | 96 189 306 | 102 508 629 | 105 702 539 | 110 987 667 | 4.9 |

3.3.2 Summary of changes to baselines

The additional allocations to departments and their respective purposes are summarised in Table 3.4.

Note that Table 3.4 reflects only the provincial additional allocations, and excludes changes in respect of conditional grants. The detail regarding additional allocations can be found under each Vote's chapter in the *EPRE*.

Table 3.4 : Summary of changes to allocations, 2015/16 MTEF

| | 2015/16 | 2016/17 | 2017/18 | 2015/16 | 2016/17 | 2017/18 |
|--|------------------|------------------|------------------|------------------|--------------|---------------|
| | R thousand | | | Percentage share | | |
| Vote 1 : Office of the Premier | 65 071 | 38 094 | 39 999 | (62.3) | (4.7) | (29.1) |
| Suspension of Luwamba Wellness Centre funds from 14/15 | 15 000 | - | - | (14.4) | - | - |
| Suspension of OSS equipping of war-rooms funds from 14/15 | 14 000 | - | - | (13.4) | - | - |
| Correction of DARD communications budget | (6 729) | (7 065) | (7 418) | 6.4 | 0.9 | 5.4 |
| Correction of DARD bursaries budget | (1 889) | (1 957) | (2 055) | 1.8 | 0.2 | 1.5 |
| Vote 10: Royal Household budget moved to Vote 1 | 56 536 | 59 549 | 62 526 | (54.2) | (7.4) | (45.4) |
| Decentralisation of bursaries budget | (11 847) | (12 433) | (13 054) | 11.4 | 1.5 | 9.5 |
| Vote 2 : Provincial Legislature | 9 500 | - | - | (9.1) | - | - |
| Unspent statutory funding suspended from 14/15 for strengthening oversight and IT infrastructure | 9 500 | - | - | (9.1) | - | - |
| Vote 3 : Agriculture and Rural Development | 12 292 | 2 076 | 2 079 | (11.8) | (0.3) | (1.5) |
| Correction of DARD communications budget | 6 729 | 7 065 | 7 418 | (6.4) | (0.9) | (5.4) |
| Correction of DARD bursaries budget | 1 889 | 1 957 | 2 055 | (1.8) | (0.2) | (1.5) |
| Disaster funding - Harry Gwala District veld fires in June 2014 | 10 200 | - | - | (9.8) | - | - |
| Remainder of Environmental Affairs function shift to DEDTEA | (11 356) | (12 017) | (12 719) | 10.9 | 1.5 | 9.2 |
| Decentralisation of bursaries budget | 4 830 | 5 071 | 5 325 | (4.6) | (0.6) | (3.9) |
| Vote 4 : Economic Development, Tourism & Enviro. Affairs | 4 259 | 4 228 | (10 380) | (4.1) | (0.5) | 7.5 |
| Removal of KZNSB - MISOE in 17/18 | - | - | (6 300) | - | - | 4.6 |
| Removal of TIK - TAF and marketing in 17/18 | - | - | (7 350) | - | - | 5.3 |
| Removal of KZN Liquor Authority - IT system in 17/18 | - | - | (1 769) | - | - | 1.3 |
| Pmb Bike City shifted to DOSR | (9 391) | (9 832) | (10 323) | 9.0 | 1.2 | 7.5 |
| KZN Music House shifted to DAC | (12 000) | (12 600) | (13 230) | 11.5 | 1.6 | 9.6 |
| Remainder of Environmental Affairs function shift from DARD | 11 356 | 12 017 | 12 719 | (10.9) | (1.5) | (9.2) |
| Decentralisation of bursaries budget | 500 | 523 | 549 | (0.5) | (0.1) | (0.4) |
| Transfer to KZN Liquor Authority - operational costs | 13 794 | 14 120 | 15 324 | (13.2) | (1.8) | (11.1) |
| Vote 5 : Education | (135 652) | (122 070) | (59 374) | 130.0 | 15.2 | 43.1 |
| AET function shift to DHE: | (280 136) | (295 547) | (310 123) | 268.4 | 36.7 | 225.3 |
| Prog 1: Administration | (66 081) | (70 120) | (73 482) | 63.3 | 8.7 | 53.4 |
| Prog 6: AET | (187 232) | (197 155) | (207 013) | 179.4 | 24.5 | 150.4 |
| Prog 9: Aux and Associated Services (Pmts to SETA) | (9 728) | (10 254) | (10 746) | 9.3 | 1.3 | 7.8 |
| Prog 9: Aux and Associated Services (External examinations) | (17 095) | (18 018) | (18 882) | 16.4 | 2.2 | 13.7 |
| Provincial cash resources: Assist with 2014 wage carry-through | 144 484 | 173 477 | 250 749 | (138.4) | (21.5) | (182.2) |
| Vote 6 : Provincial Treasury | (91 747) | (99 735) | (139 372) | 87.9 | 12.4 | 101.3 |
| IALCH floor repairs | 8 000 | - | - | (7.7) | - | - |
| Removal of Strategic Cabinet Initiatives fund | (100 000) | (100 000) | (105 000) | 95.8 | 12.4 | 76.3 |
| Removal of IDIP TAs in 17/18 | - | - | (8 400) | - | - | 6.1 |
| Removal of Operation Pay-on-Time in 17/18 | - | - | (3 675) | - | - | 2.7 |
| Removal of Operation Clean Audit (Financial Management) in 17/18 | - | - | (5 250) | - | - | 3.8 |
| Removal of e-Procurement Tool in 17/18 | - | - | (3 675) | - | - | 2.7 |
| Removal of contract management in 17/18 | - | - | (7 350) | - | - | 5.3 |
| Removal of IALCH - floor repairs in 17/18 | - | - | (6 300) | - | - | 4.6 |
| Decentralisation of bursaries budget | 253 | 265 | 278 | (0.2) | (0.0) | (0.2) |

Table 3.4 : Summary of changes to allocations, 2015/16 MTEF (continued)

| | 2015/16 | 2016/17 | 2017/18 | 2015/16 | 2016/17 | 2017/18 |
|--|------------------|------------------|------------------|------------------|--------------|---------------|
| | R thousand | | | Percentage share | | |
| Vote 7 : Health | 47 368 | (1 137) | 36 104 | (45.4) | 0.1 | (26.2) |
| Function shift of Port Health Services to NDOH | (20 379) | (21 459) | (22 597) | 19.5 | 2.7 | 16.4 |
| Provincial cash resources: Assist with 2014 wage agreement carry-through | 79 755 | 95 748 | 138 470 | (76.4) | (11.9) | (100.6) |
| NHLS - Function shift of NICD, NIOH, NCR and training | (72 008) | (75 426) | (79 066) | 69.0 | 9.4 | 57.4 |
| Removal of McCord Hospital (trade creditors and VAT) in 17/18 | - | - | (703) | - | - | 0.5 |
| Purchase of St Aidan's Hospital | 60 000 | - | - | (57.5) | - | - |
| Vote 8 : Human Settlements | 580 | 607 | 637 | (0.6) | (0.1) | (0.5) |
| Decentralisation of bursaries budget | 580 | 607 | 637 | (0.6) | (0.1) | (0.5) |
| Vote 9 : Community Safety and Liaison | - | - | (8 109) | - | - | 5.9 |
| Removal of Comp of employees roll-over from 17/18 | - | - | (8 109) | - | - | 5.9 |
| Vote 10 : The Royal Household (moved to OTP) | (56 536) | (59 549) | (62 528) | 54.2 | 7.4 | 45.4 |
| Budget moved to Vote 1: Office of the Premier | (56 536) | (59 549) | (62 528) | 54.2 | 7.4 | 45.4 |
| Vote 11 : Co-operative Governance and Traditional Affairs | 1 255 | 1 313 | 1 379 | (1.2) | (0.2) | (1.0) |
| Decentralisation of bursaries budget | 1 255 | 1 313 | 1 379 | (1.2) | (0.2) | (1.0) |
| Vote 12 : Transport | 10 529 | 571 | 600 | (10.1) | (0.1) | (0.4) |
| EPWP co-ordination moved to DOPW | (1 061) | (1 114) | (1 169) | 1.0 | 0.1 | 0.8 |
| Learner transport suspended from 14/15 | 10 000 | - | - | (9.6) | - | - |
| Decentralisation of bursaries budget | 1 590 | 1 685 | 1 769 | (1.5) | (0.2) | (1.3) |
| Vote 13 : Social Development | - | - | - | - | - | - |
| Vote 14 : Public Works | 13 816 | (596 439) | 3 738 | (13.2) | 74.0 | (2.7) |
| Removal of government office precinct allocation | - | (600 000) | - | - | 74.5 | - |
| EPWP co-ordination moved from DOT | 1 061 | 1 114 | 1 169 | (1.0) | (0.1) | (0.8) |
| Roll-over of GIAMA funds from 13/14 | 9 934 | - | - | (9.5) | - | - |
| Roll-over of Richmond Community Development prog funds from 13/14 | 482 | - | - | (0.5) | - | - |
| Decentralisation of bursaries budget | 2 339 | 2 447 | 2 569 | (2.2) | (0.3) | (1.9) |
| Vote 15 : Arts and Culture | (22 792) | 18 417 | 49 163 | 21.8 | (2.3) | (35.7) |
| KZN Music House shifted from DEDTEA | 12 000 | 12 600 | 13 230 | (11.5) | (1.6) | (9.6) |
| Joint Ministry funds moved from DOSR | 2 108 | 2 213 | 2 324 | (2.0) | (0.3) | (1.7) |
| Arts and Culture Academy - re-allocation of funding over 15/16 MTEF | (37 000) | 3 500 | 33 500 | 35.4 | (0.4) | (24.3) |
| Decentralisation of bursaries budget | 100 | 104 | 109 | (0.1) | (0.0) | (0.1) |
| Vote 16 : Sport and Recreation | 37 683 | 8 037 | 8 438 | (36.1) | (1.0) | (6.1) |
| Pmb Bike City shifted from DEDTEA | 9 391 | 9 832 | 10 323 | (9.0) | (1.2) | (7.5) |
| Joint Ministry funds moved to DAC | (2 108) | (2 213) | (2 324) | 2.0 | 0.3 | 1.7 |
| Sports development centre funds from 14/15 | 30 000 | - | - | (28.7) | - | - |
| Decentralisation of bursaries budget | 400 | 418 | 439 | (0.4) | (0.1) | (0.3) |
| Total | (104 374) | (805 587) | (137 626) | 100.0 | 100.0 | 100.0 |

Table 3.5 shows the revised budgets of departments for the 2015/16 MTEF, after taking into account all of the adjustments to the baseline allocations mentioned above, as well as changes in respect of national conditional grants.

The provincial budget grows by 6 per cent in 2015/16 from the 2014/15 Main Appropriation, largely due to the once-off provision of funds for various provincial priorities, as mentioned above.

Table 3.5 : Summary of revised budgets by department, 2015/16 MTEF

| | Main Appropriation | Medium-term Estimates | | | Annual Percentage Growth | | |
|--|--------------------|-----------------------|--------------------|--------------------|--------------------------|------------|------------|
| R thousand/ percentage | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2015/16 | 2016/17 | 2017/18 |
| 1. Office of the Premier | 751 370 | 743 214 | 746 934 | 784 281 | (1.1) | 0.5 | 5.0 |
| 2. Provincial Legislature | 491 186 | 465 494 | 480 352 | 504 370 | (5.2) | 3.2 | 5.0 |
| 3. Agriculture and Rural Development | 2 133 126 | 2 203 074 | 2 290 677 | 2 409 455 | 3.3 | 4.0 | 5.2 |
| 4. Economic Development, Tourism and Environmental Affairs | 2 883 969 | 2 973 459 | 3 080 528 | 3 219 734 | 3.1 | 3.6 | 4.5 |
| 5. Education | 38 918 092 | 42 142 355 | 44 210 091 | 46 488 066 | 8.3 | 4.9 | 5.2 |
| 6. Provincial Treasury | 878 315 | 712 151 | 707 768 | 708 506 | (18.9) | (0.6) | 0.1 |
| 7. Health | 30 914 196 | 32 981 786 | 34 741 665 | 36 873 548 | 6.7 | 5.3 | 6.1 |
| 8. Human Settlements | 3 600 282 | 3 584 685 | 3 776 080 | 4 011 284 | (0.4) | 5.3 | 6.2 |
| 9. Community Safety and Liaison | 181 295 | 187 069 | 198 470 | 200 285 | 3.2 | 6.1 | 0.9 |
| 10. The Royal Household (moved to OTP) | - | - | - | - | - | - | - |
| 11. Co-operative Governance and Traditional Affairs | 1 348 076 | 1 368 043 | 1 436 920 | 1 508 766 | 1.5 | 5.0 | 5.0 |
| 12. Transport | 9 060 595 | 9 341 457 | 9 735 659 | 10 274 611 | 3.1 | 4.2 | 5.5 |
| 13. Social Development | 2 497 952 | 2 630 481 | 2 767 560 | 2 905 938 | 5.3 | 5.2 | 5.0 |
| 14. Public Works | 1 369 361 | 1 389 666 | 1 449 782 | 1 526 583 | 1.5 | 4.3 | 5.3 |
| 15. Arts and Culture | 705 112 | 783 914 | 819 399 | 894 444 | 11.2 | 4.5 | 9.2 |
| 16. Sport and Recreation | 456 379 | 454 389 | 440 571 | 463 512 | (0.4) | (3.0) | 5.2 |
| Total | 96 189 306 | 101 961 237 | 106 882 456 | 112 773 383 | 6.0 | 4.8 | 5.5 |

4. RECEIPTS

4.1 National Fiscal Framework and Division of Revenue for the 2015/16 MTEF

4.1.1 Background

Section 214(1) of the Constitution requires that, annually, DORA determines the equitable division of nationally raised revenue between the three spheres of government. This section of the Constitution is supported by Section 9 of the Inter-governmental Fiscal Relations Act, which promotes co-operative governance of fiscal, budgetary and financial matters, by prescribing the process for determining the equitable allocation of revenue raised nationally. In terms of S214, an equitable system of vertical and horizontal division of centrally collected revenue is essential for the creation of a balance between the three spheres of government. The mechanism that was developed to achieve this is dependent on functions, social and economic developmental needs and spatial and age distribution of the population in the provinces, and the country as a whole.

The vertical division of revenue among the three spheres of government – national, provincial and local – is based on a value judgement and not on any predetermined formula. This division of revenue is determined through annual consultative processes involving the Budget Council, the Financial and Fiscal Commission (FFC) and National Treasury.

However, the horizontal division of revenue among provinces, as well as municipalities, is formula-based, and this is explained in Sections 4.1.3 and 4.1.5.

4.1.2 Division of revenue and fiscal framework

4.1.2.1 Fiscal policy and trends

Fiscal policy ensures the health of public finances by applying the principles of counter-cyclical, debt sustainability and intergenerational fairness. The 2015/16 MTEF budget is prepared in a challenging environment, as the weak economic growth in the SA economy continues, with forecasts for growth revised downward from the 2014 MTBPS. Domestically, low levels of business confidence, slow growth in both consumption and investment spending, and disruptions to business activity through labour stoppages and electricity supply constraints present a challenging growth environment. Tax revenues will be revised downward and government will have to reduce spending to maintain the expenditure ceiling and keep government's stated commitments to stabilise and reduce the budget deficit, while protecting public spending programmes that help poor South Africans, contribute to growth and generate employment.

4.1.2.2 Division of revenue

The 2015/16 MTEF division of revenue was done in the context of government's priorities and the revenue raising capacity of government. The MTEF proposes continued support for the economy with the need for fiscal consolidation. The budget framework sets explicit limits for public expenditure, which allows for sustained but moderate real growth in spending and a gradually declining deficit. Government will finance future priorities and respond to spending pressures by reprioritising existing allocations and eliminating wasteful expenditure.

The lower spending ceiling has been applied proportionately across the three spheres of government. Excluding debt-service costs and the Contingency Reserve, allocated expenditure shared between the three spheres amounts to R1.091 trillion, R1.154 trillion and R1.222 trillion over each of the MTEF years.

Table 4.1 sets out the division of nationally raised revenue between the three spheres of government.

Table 4.1 : Division of revenue between spheres of government, 2011/12 – 2017/18

| R million | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| National departments | 389 376 | 420 015 | 453 171 | 491 368 | 522 992 | 553 778 | 586 087 |
| Indirect transfers to provinces | 700 | 2 315 | 2 693 | 4 116 | 3 458 | 3 596 | 3 967 |
| Indirect transfers to local government | 2 660 | 4 548 | 5 523 | 8 536 | 10 395 | 10 634 | 10 916 |
| Provinces | 355 824 | 380 929 | 410 572 | 439 661 | 468 159 | 496 259 | 526 382 |
| Equitable share | 289 628 | 310 741 | 336 495 | 359 922 | 382 673 | 405 265 | 428 893 |
| Conditional grants | 66 197 | 70 188 | 74 077 | 79 739 | 85 485 | 90 994 | 97 490 |
| Local government | 68 251 | 76 430 | 82 835 | 89 075 | 99 753 | 103 937 | 110 017 |
| Equitable share | 33 173 | 37 139 | 38 964 | 43 290 | 50 208 | 52 869 | 55 512 |
| Conditional grants | 26 505 | 30 251 | 34 258 | 35 595 | 38 887 | 39 844 | 42 720 |
| General fuel levy sharing with metros | 8 573 | 9 040 | 9 613 | 10 190 | 10 659 | 11 224 | 11 785 |
| Total | 813 451 | 877 374 | 946 579 | 1 020 105 | 1 090 904 | 1 153 973 | 1 222 486 |
| Percentage shares | | | | | | | |
| National departments | 47.9% | 47.9% | 47.9% | 48.2% | 47.9% | 48.0% | 47.9% |
| Provinces | 43.7% | 43.4% | 43.4% | 43.1% | 42.9% | 43.0% | 43.1% |
| Local government | 8.4% | 8.7% | 8.8% | 8.7% | 9.1% | 9.0% | 9.0% |

In 2015/16, national departments receive 47.9 per cent of available funds, provinces receive 42.9 per cent and local government 9.1 per cent. At R522.992 billion in 2015/16, and increasing to R586.087 billion in 2017/18, national departments continue to receive the largest share of funding to support sustained real growth in social grant provisions, public infrastructure and employment programmes. The provincial share fluctuates around 42.9 per cent in 2015/16 to 43.1 per cent in 2017/18, while the local government share remains fairly static at around 9 per cent.

Table 4.2 summarises the decreases in funding in the three spheres of government when compared to the 2014/15 MTEF.

Table 4.2 : Changes to baselines, 2015/16 – 2016/17

| R million | 2015/16 | 2016/17 | Total | % Share |
|------------------------|----------------|-----------------|-----------------|---------|
| National departments | (4 966) | (5 224) | (10 190) | 47.4 |
| Provinces | (3 779) | (5 976) | (9 755) | 45.4 |
| Local government | (294) | (1 250) | (1 544) | 7.2 |
| Total reduction | (9 039) | (12 450) | (21 489) | - |

The combined baseline decreases by R9.039 billion in 2015/16 and R12.450 billion in 2016/17. Over 2015/16 and 2016/17, the provincial baseline decreases by R9.755 billion, which accounts for 45.4 per cent of the total reduction, whereas national departments lose R10.190 billion over the next two years in line with fiscal consolidation. Local government baselines decline by R1.544 billion, largely attributed to the downward revision of conditional grants to local government in line with fiscal consolidation.

4.1.3 Provincial equitable share (PES)

Provincial revenue is made up of the provincial equitable share (PES), conditional grants and own revenue. Unlike the division of revenue between the spheres of government, which is based on a value judgment, the PES allocation of nationally raised revenue is formula-driven. The equitable share formula is designed to ensure fair, stable and predictable revenue shares, and to address economic and fiscal disparities.

In terms of S214 of the Constitution, the equitable division of revenue raised nationally among the three spheres of government, is unconditional. Although the division is based on the equitable shares as outlined in Table 4.3 below, provinces have a prerogative to allocate funds in line with their specific provincial priorities. The PES formula is reviewed and updated with new data annually. For the 2015/16 MTEF, the formula has been updated with data from the 2014 mid-year population estimates, 2014 School Realities Survey (SNAP survey), data on people without medical insurance from the 2013 General Household Survey (GHS) and output data from the health sectors. The risk-adjusted capitation index is based on the same data from the Risk Equalisation Fund (REF).

The formula is largely population-driven, hence the allocations capture shifts in population across provinces, which lead to changes in the relative demand for public services and expenditure assignments across these areas.

Table 4.3 : Equitable share components and weighting

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

The impact of these updates on the PES is phased-in over three years (2015/16 to 2017/18). The data updates impacted as follows:

Education component (48 per cent)

The education component uses the school-age population (5 to 17 years), based on the 2011 Census, and enrolment data drawn from the 2014 SNAP Survey conducted by DBE. Each of these elements is assigned a weight of 50 per cent. From 2013 to 2014, the school enrolment in KZN decreased by 8 025, resulting in the weighted average for KZN being revised downward by 0.08 per cent.

Health (27 per cent)

The health component uses a risk-adjusted capitation index based on the Council of Medical Aids Scheme's REF. The percentage of the population with medical aid, as per the 2013 GHS, is deducted from the 2014 mid-year population estimates to estimate the uninsured population of the province.

The risk-adjusted index estimates the risk health profile of each province, which is applied to the uninsured population to estimate the weighted population, which is used to estimate the province's share of the risk-adjusted sub-component. The KZN share of the risk-adjusted component, which accounts for 75 per cent of the health component declined from 20.9 per cent to 20.8 per cent.

The output sub-component uses patient load data from the District Health Information Services. The average number of visits at primary healthcare clinics in 2012/13 and 2013/14 is calculated. Each province's average is used to estimate their share of this part of the output component, making up 5 per cent of the health component. For hospitals, each province's share of the total patient-day equivalents from public hospitals in 2012/13 and 2013/14 are used to estimate the provinces' shares of this part of the output sub-component, which makes up 20 per cent of the health component. In total, the output component is 25 per cent of the health component. The updated data shows that the province's output share for primary health care visits is 24.4 per cent and the share of the hospital workload patient-day is 25 per cent.

The composite result of the health component weighted share is calculated by giving the risk-adjusted index a weighting of 75 per cent, primary health care visits 5 per cent and hospital component 20 per cent. The data updates result in a decrease in KZN's weighted share from 22 per cent in 2014 to 21.8 per cent in 2015.

Basic component (16 per cent)

The basic component constitutes 16 per cent of the PES and is derived from the proportion of each province's share of the national population. For the 2015/16 MTEF, population data is drawn from the 2014 mid-year population estimates. The updated data shows that the province's population increased by 427 100, with a resultant increase in the basic component share of 0.07 per cent.

Institutional component (5 per cent)

The institutional component is distributed equally between provinces.

Poverty component (3 per cent)

The poverty component introduces a redistributive element to the formula and is assigned a weight of 3 per cent. The poor population includes people who fall in the lowest (poorest) 2 quintiles (out of five) of household incomes in the 2010/11 Income and Expenditure Survey. The proportion of poor households in KZN from the Income and Expenditure Survey is 45.3 per cent, thus, based on the 2014 mid-year

population estimates of 10 694, the poor population is equal to 4 845 households, which represents a weighted share of 22.2 per cent. This has increased by 0.06 per cent.

Economic activity component (1 per cent)

The economic activity component is a proxy for provincial tax capacity and expenditure assignments, and assigned a weight of 1 per cent. For the 2015/16 MTEF, 2012 GDP-R data is used. KZN's weighted share of the economic activity component increases by 0.09 per cent, from 15.7 per cent to 15.8 per cent.

Phasing in of changes to the data updates

Table 4.4 shows the full impact of the data updates on the PES per province. It compares the target shares for the 2014/15 and 2015/16 MTEF periods.

Table 4.4 : Full impact of data updates on the equitable share

| | 2014 MTEF weighted | 2015 MTEF weighted | Difference |
|----------------------|-----------------------|-----------------------|---------------|
| Eastern Cape | 14.0% | 14.0% | -0.01% |
| Free State | 5.6% | 5.6% | 0.00% |
| Gauteng | 19.5% | 19.5% | 0.04% |
| KwaZulu-Natal | 21.3% | 21.3% | -0.06% |
| Limpopo | 11.8% | 11.8% | -0.04% |
| Mpumalanga | 8.2% | 8.2% | 0.01% |
| Northern Cape | 2.7% | 2.7% | 0.00% |
| North West | 6.9% | 6.9% | 0.00% |
| Western Cape | 10.0% | 10.1% | 0.06% |
| Total | 100.0% | 100.0% | - |

Due to changes in the data used in the PES formula, the weighted average share of KZN decreased by 0.06 per cent from the 2014/15 to 2015/16 MTEF. To mitigate the impact of annual data updates on the PES, the new shares are phased-in over the 2015/16 MTEF. The phase-in mechanism provides a smooth path towards achieving the weighted shares by the third year of the MTEF. KZN receives 21.3 per cent of the PES, down from the 21.4 per cent calculated in the 2014/15 MTEF, as reflected in Table 4.5.

Table 4.5 : Implementation of the equitable share weights, 2015/16 – 2017/18

| | 2014/15 Weighted shares | 2015/16 2015 MTEF weighted shares 3-year phasing | 2016/17 | 2017/18 |
|----------------------|----------------------------|--|---------------|---------------|
| Percentage | | | | |
| Eastern Cape | 14.2% | 14.1% | 14.1% | 14.0% |
| Free State | 5.7% | 5.7% | 5.6% | 5.6% |
| Gauteng | 19.3% | 19.3% | 19.4% | 19.5% |
| KwaZulu-Natal | 21.4% | 21.4% | 21.3% | 21.3% |
| Limpopo | 11.9% | 11.8% | 11.8% | 11.8% |
| Mpumalanga | 8.2% | 8.2% | 8.2% | 8.2% |
| Northern Cape | 2.7% | 2.7% | 2.7% | 2.7% |
| North West | 6.9% | 6.9% | 6.9% | 6.9% |
| Western Cape | 9.9% | 10.0% | 9.9% | 10.0% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% |

Table 4.6 reflects the weighted share distribution of each of the PES formula's components, given the weighted average share of 21.3 per cent for KZN when the data updates are fully implemented in 2017/18.

Table 4.6 : Distributing the equitable shares by province, 2015/16 MTEF

| | Education | Health | Basic share | Poverty | Economic activity | Institutional | Weighted average |
|----------------------|---------------|---------------|---------------|---------------|-------------------|---------------|------------------|
| | 48% | 27% | 16% | 3% | 1% | 5% | 100% |
| Eastern Cape | 15.1% | 13.5% | 12.6% | 16.2% | 7.5% | 11.1% | 14.0% |
| Free State | 5.3% | 5.4% | 5.2% | 5.3% | 5.2% | 11.1% | 5.6% |
| Gauteng | 17.7% | 21.4% | 23.9% | 17.1% | 34.7% | 11.1% | 19.5% |
| KwaZulu-Natal | 22.5% | 21.8% | 19.8% | 22.2% | 15.8% | 11.1% | 21.3% |
| Limpopo | 13.0% | 10.4% | 10.4% | 13.6% | 7.1% | 11.1% | 11.8% |
| Mpumalanga | 8.5% | 7.3% | 7.8% | 9.2% | 7.1% | 11.1% | 8.2% |
| Northern Cape | 2.3% | 2.1% | 2.2% | 2.2% | 2.2% | 11.1% | 2.7% |
| North West | 6.5% | 6.7% | 6.8% | 8.1% | 6.4% | 11.1% | 6.9% |
| Western Cape | 9.0% | 11.3% | 11.3% | 6.1% | 14.0% | 11.1% | 10.1% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Table 4.7 depicts the revisions to the PES for the 2015/16 MTEF. The PES is revised downward by a total of R2.779 billion.

Table 4.7 : KwaZulu-Natal: Revisions to the Provincial Equitable Share (PES) - 2015/16 MTEF

| R thousand | 2015/16 MTEF | | | Total Revisions |
|--|-------------------|-------------------|-------------------|--------------------|
| | 2015/16 | 2016/17 | 2017/18 | |
| Provincial Equitable Share (PES) | 83 347 554 | 87 887 479 | 92 113 167 | 263 348 200 |
| Adjustments to baseline due to new data updates in PES formula (phased-in) | (159 360) | (87 769) | (271 402) | (518 532) |
| Provision for 2011 Census impact to losing provinces | - | 321 958 | - | 321 958 |
| Adjustments to baseline due to function shifts to the National Department of Higher Education & Training | (280 136) | (295 547) | (310 123) | (885 806) |
| Programme 1: Administration (3.2% of CoE and 5% of that CoE to get G&S) | (66 081) | (70 120) | (73 482) | (209 683) |
| Programme 6: Adult Basic Education and Training | (187 232) | (197 155) | (207 013) | (591 400) |
| Programme 9: Auxiliary and Associates Services (payments to SETA -1% of function shift CoE) | (9 728) | (10 254) | (10 746) | (30 728) |
| Programme 9: Auxiliary and Associated Services (external examinations share of 3.9%) | (17 095) | (18 018) | (18 882) | (53 995) |
| Adjustments to baseline due to function shifts to the National Department of Health | (92 387) | (96 885) | (101 663) | (290 935) |
| Port Health Services | (20 379) | (21 459) | (22 597) | (64 435) |
| National Health Laboratory Services (NHLS) | (72 008) | (75 426) | (79 066) | (226 500) |
| Reduction to the PES due to fiscal consolidation cuts | (561 725) | (843 789) | - | (1 405 515) |
| Total PES for 2015/16 MTEF | 82 253 946 | 86 885 446 | 91 429 978 | 260 569 370 |
| Variance 2015/16 MTEF vs 2014/15 MTEF | (1 093 608) | (1 002 034) | (683 189) | (2 778 830) |

Adjustment to baseline due to impact of new data updates in the PES formula (R518.532 million)

As mentioned, the updates of the PES results in KZN's baseline decreasing by R159.360 million in 2015/16, R87.769 million in 2016/17 and R271.402 million in 2017/18.

Provision for 2011 Census impact (R321.958 million)

To provide protection to provinces with declining PES following the 2011 Census updates, additional cushioning support, that was meant to end in 2015/16, is extended to 2016/17. KZN receives R321.958 million in this regard.

Adjustments to baseline due to function shifts to DHET (R885.806 million)

The FET and AET functions are assigned to DHET from 1 April 2015.

Adjustments to baseline due to function shifts to the National Department of Health (R290.935 million)

The National Health Amendment Act shifted Port Health Services from provincial to national government. The provincial baseline decreases by R64.435 million over the MTEF. In addition, some functions of the NHLS, consisting of the NICD, the NIOH, the NCR and the teaching training and research functions of the NHLS were shifted from the provincial to the national sphere. The amount to be moved from provinces is split between the PES and the Comprehensive HIV and AIDS grant on a 60:40 basis. As a result, the PES allocation for the Department of Health (DOH) reduces by R72.008 million, R75.426 million and R79.066 million, while the Comprehensive HIV and AIDS grant reduces by R60.991 million, R63.887 million and R66.970 million over the 2015/16 MTEF.

Total transfers to provinces

Table 4.8 reflects total transfers to the nine provinces for 2015/16, after revisions.

KZN receives the highest share of PES at R82.254 billion, whereas Gauteng receives the highest share of conditional grants. Overall, KZN is still the biggest recipient of transfer funding from national government, with a total of R99.135 billion.

Table 4.8 : Total transfers to provinces, 2015/16

| R million | Equitable share | Conditional grants | Total transfers |
|----------------------|-----------------|--------------------|-----------------|
| Eastern Cape | 54 312 | 10 060 | 64 372 |
| Free State | 21 757 | 6 609 | 28 367 |
| Gauteng | 73 413 | 17 123 | 90 537 |
| KwaZulu-Natal | 82 254 | 16 881 | 99 135 |
| Limpopo | 45 377 | 6 742 | 52 120 |
| Mpumalanga | 31 030 | 6 851 | 37 881 |
| Northern Cape | 10 138 | 3 665 | 13 803 |
| North West | 26 151 | 6 942 | 33 093 |
| Western Cape | 38 242 | 10 507 | 48 749 |
| Unallocated | - | 103 | 103 |
| Total | 382 673 | 85 485 | 468 159 |

4.1.4 Conditional grants to provinces

Taking into account the lower expenditure ceiling, fiscal consolidation cuts were effected to the baselines of a number of provincial conditional grants. In spite of the reductions to grants, it is important for provinces to focus on strengthening their capacity to roll-out priority programmes of government, in particular infrastructure.

Table 4.9 reflects the revisions to the conditional grant baseline allocations for 2015/16 to 2017/18.

Table 4.9 : Conditional grants to provinces 2014/15 – 2017/18

| R million | Revised Est. | Medium-term Estimates | | | MTEF total |
|---|---------------|-----------------------|---------------|---------------|----------------|
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| Agriculture, Forestry and Fisheries | 2 389 | 2 188 | 2 262 | 2 404 | 6 854 |
| Comprehensive Agricultural Support Programme grant | 1 861 | 1 651 | 1 702 | 1 809 | 5 162 |
| Ilima/Letsema Projects grant | 461 | 471 | 491 | 522 | 1 484 |
| Land Care Programme grant | 68 | 66 | 69 | 74 | 209 |
| Arts and Culture | 1 016 | 1 311 | 1 367 | 1 453 | 4 131 |
| Community Library Services grant | 1 016 | 1 311 | 1 367 | 1 453 | 4 131 |
| Basic Education | 13 532 | 15 856 | 16 373 | 17 267 | 49 497 |
| Education Infrastructure grant | 7 327 | 9 518 | 9 774 | 10 331 | 29 622 |
| HIV and AIDS (Life-Skills Education) grant | 212 | 221 | 231 | 245 | 697 |
| Maths, Science and Technology grant | 319 | 347 | 362 | 385 | 1 095 |
| National School Nutrition Programme grant | 5 462 | 5 704 | 6 006 | 6 306 | 18 016 |
| OSD for Education Sector Therapists grant | 213 | 67 | - | - | 67 |
| Cooperative Governance and Traditional Affairs | 197 | 103 | 112 | 123 | 338 |
| Provincial Disaster grant | 197 | 103 | 112 | 123 | 338 |
| Health | 30 164 | 31 858 | 34 338 | 37 495 | 103 692 |
| Comprehensive HIV and AIDS grant | 12 102 | 13 737 | 15 467 | 17 440 | 46 644 |
| Health Facility Revitalisation grant | 5 502 | 5 276 | 5 473 | 5 817 | 16 565 |
| Health Professions Training and Development grant | 2 322 | 2 375 | 2 477 | 2 632 | 7 483 |
| National Tertiary Services grant | 10 168 | 10 398 | 10 847 | 11 526 | 32 771 |
| National Health Insurance grant | 70 | 72 | 75 | 80 | 228 |
| Human Settlements | 17 084 | 18 203 | 19 884 | 21 060 | 59 147 |
| Human Settlements Development grant | 17 084 | 18 203 | 2 819 | 21 060 | 59 147 |
| Public Works | 607 | 591 | 762 | 809 | 2 162 |
| EPWP Integrated Grant for Provinces | 349 | 351 | 402 | 424 | 1 176 |
| Social Sector EPWP Incentive Grant for Provinces | 258 | 241 | 360 | 386 | 986 |
| Social Development | 29 | 48 | 48 | - | 95 |
| Substance Abuse Treatment grant | 29 | 48 | 48 | - | 95 |
| Sport and Recreation South Africa | 526 | 537 | 561 | 596 | 1 694 |
| Mass Participation and Sport Development grant | 526 | 537 | 561 | 596 | 1 694 |
| Transport | 14 194 | 14 790 | 15 288 | 16 281 | 46 359 |
| Provincial Roads Maintenance grant | 9 361 | 9 851 | 10 138 | 10 808 | 30 797 |
| Public Transport Operations grant | 4 833 | 4 939 | 5 150 | 5 473 | 15 563 |
| Total direct conditional grants | 79 739 | 85 486 | 90 994 | 97 490 | 273 970 |
| Indirect transfers | 4 116 | 3 458 | 3 596 | 3 967 | 11 021 |
| Basic Education | 2 541 | 2 047 | 2 375 | 2 620 | 7 042 |
| School Infrastructure Backlogs grant | 2 541 | 2 047 | 2 375 | 2 620 | 7 042 |
| Health | 1 575 | 1 411 | 1 221 | 1 347 | 3 979 |
| National Health grant | 1 575 | 1 411 | 1 221 | 1 347 | 3 979 |

Agriculture

The CASP grant aims to support emerging farmers, in particular subsistence, smallholder and previously disadvantaged farmers. The grant amounts to R5.162 billion over the 2015/16 MTEF. The grant includes a ring-fenced amount of R195.700 million over the MTEF toward disaster damaged agricultural infrastructure. The grant is affected by the fiscal consolidation cuts.

The Ilima/Letsema Projects grant aims to boost food production by helping previously disadvantaged farming communities. After fiscal consolidation cuts have been affected, this grant is allocated R1.484 billion over the MTEF.

The Land Care Programme grant aims to improve productivity and the sustainable use of natural resources. This grant is allocated R209 million over the MTEF, after fiscal consolidation cuts.

Arts and culture grant

The Community Library Services grant aims to help South Africans access knowledge and information to improve their socio-economic situation. The grant provides R4.131 billion over the MTEF, after the fiscal consolidation cuts have been effected.

Basic Education

The Education Infrastructure grant is used by provinces to construct, maintain and refurbish education infrastructure and schools. The grant totals R29.622 billion over the MTEF period, after the fiscal consolidation cuts have been effected. The 2015/16 allocation decreases in eight provinces to be allocated to North West for the 2014 earthquake disaster that resulted in damage to schools. An amount of R322.100 million is reprioritised toward the rehabilitation of flood and storm-damaged schools.

The HIV and AIDS (Life-Skills Education) grant is refined to specifically focus on schools that are located near peri-mining and coastal areas, where HIV and AIDS is more prevalent, and R697.200 million is provided over the next three years. The grant is affected by the fiscal consolidation cuts.

A new Maths, Science and Technology grant is created by merging the Technical Secondary Schools Recapitalisation grant and the Dinaledi Schools grant. This grant provides for resources for the teaching and learning of maths, science and technical subjects. As such, R347 million, R362 million and R385 million is provided over the 2015/16 MTEF, after the fiscal consolidation cuts have been effected.

The NSNP grant seeks to improve the nutrition of poor school children. The grant will be extended to include provision for the deworming of learners, which will be funded through the nutrition education and food production activities component in the grant (0.5 per cent of grant). This grant is allocated R18.016 billion over the MTEF. The grant is not affected by the fiscal consolidation cuts.

An amount of R67 million in 2015/16 will be added to the OSD for Education Sector Therapists grant. From 2016/17, the baseline of R72 million will be added to the PES. This grant is not affected by the fiscal consolidation cuts.

The School Infrastructure Backlogs grant is an indirect grant to build and upgrade schools on behalf of provinces to address inappropriate structures and R7.042 billion is set aside over the MTEF.

Co-operative Governance and Traditional Affairs

The Provincial Disaster grant is administered by the National Disaster Management Centre under the Department of Co-operative Governance. This grant is unallocated for provincial government at the start of a financial year and is released when a disaster is declared. Over the MTEF, R338 million is available for disbursement through this grant.

Health

The Comprehensive HIV and AIDS grant supports prevention programmes and specific interventions, including voluntary counselling and testing, anti-retroviral treatment (ARV), etc. The grant will see the CD4 threshold rising from 350 to 500. The grant also sees a reduction due to the NHLS function shift, as mentioned above, but is protected from the fiscal consolidation cuts.

The Health Facility Revitalisation grant funds the construction and maintenance of health infrastructure and provides R16.565 billion over the MTEF, which includes an amount of R17.800 million for the cost of repairing clinics damaged by natural disasters. This grant is affected by the fiscal consolidation cuts.

The Health Professions Training and Development grant funds the training of health professionals, and the development and recruitment of medical specialists. It enables the shifting of teaching activities from central to regional and district hospitals. The grant is allocated R7.483 billion over the medium term, after the fiscal consolidation cuts have been effected.

The National Tertiary Services grant provides strategic funding to enable provinces to plan, modernise and transform tertiary hospital service delivery in line with national policy objectives. This grant is allocated R32.771 billion over the MTEF period. The grant is affected by the fiscal consolidation cuts.

The National Health Insurance grant funds the national health insurance pilots introduced in 2012/13, which aim to strengthen primary healthcare for the implementation of national health insurance. Over the 2015/16 MTEF, the grant has been allocated R228 million, after fiscal consolidation cuts.

The National Health grant is an indirect grant which is spent by the NDOH on behalf of provinces to support infrastructure projects, support the national health insurance pilots and to roll-out the vaccine for the Human PapillomaVirus (HPV). The grant is allocated R3.979 billion over the MTEF.

Human Settlements

The Human Settlements Development grant seeks to establish habitable, stable and sustainable human settlements in which all citizens have access to social and economic amenities. The grant will be reduced and reprioritised toward the HDA, which is taking over some of the planning and project development work previously carried out by provinces, as well as fiscal consolidation cuts. An amount of R59.147 billion has been provided.

Public Works

Allocations in respect of the EPWP Integrated Grant for Provinces are made available upfront, based on meeting job targets in the preceding financial year, rather than using in-year performance measures. This grant is allocated R1.176 billion over the MTEF, after fiscal consolidation cuts.

The Social Sector EPWP Incentive Grant for Provinces rewards provinces for creating jobs in the preceding year in home-based care, early childhood development, adult literacy and numeracy, community safety and security, and sports programmes. After fiscal consolidation cuts were implemented, this grant is allocated R986 million over the MTEF.

Social Development

A Substance Abuse Treatment grant provides for public substance abuse treatment facilities and R95 million is allocated over the 2015/16 MTEF, after which the grant will be incorporated into the PES.

Sport and Recreation

The MPSD grant aims to increase and sustain mass participation in sport and recreational activities in provinces, with greater emphasis on provincial and district academies. This grant is allocated R1.694 billion over the MTEF period. The grant is affected by the fiscal consolidation cuts.

Transport

The Provincial Roads Maintenance enables provinces to expand their maintenance activities, repair roads damaged by floods and rehabilitate roads that are heavily used in support of electricity production. The grant is reduced over the MTEF in anticipation of the R573 Moloto Road being transferred from Gauteng, Mpumalanga and Limpopo to SANRAL. After fiscal consolidation cuts were effected, the total allocation over the MTEF is R30.797 billion. This includes ring-fenced allocations of R1 billion over the MTEF for the repair of infrastructure damaged by floods.

The Public Transport Operations grant subsidises commuter bus services. The grant is allocated R15.563 billion over the MTEF period, after fiscal consolidation cuts were effected.

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

Local government is entitled to an equitable share of revenue raised nationally in terms of Section 227 of the Constitution. This share of national revenue is divided among the 278 municipalities through a formula using objective data.

National transfers, made up of conditional and unconditional grants, account for a relatively small proportion of the local government fiscal framework, with the majority of local government revenues being raised by municipalities themselves through their revenue-raising powers, including property rates and service charges.

Transfers to local government

Over the MTEF, R313.700 billion will be transferred directly to local government and a further R31.900 billion has been allocated to indirect grants. Local government's direct share of the division of revenue in 2015/16 accounts for 9.1 per cent of the national government's non-interest expenditure.

Direct transfers to local government in 2015/16 comprises infrastructure conditional grants, including the Municipal Water Infrastructure grant, Municipal Infrastructure grant, Urban Settlements Development grant, among others, as well as capacity building conditional grants such as the Municipal Systems Improvement grant, Local Government Financial Management grant, etc.

The local government equitable share (LES)

The LES is an unconditional transfer that supplements the revenue that municipalities can raise themselves (including property rates and service charges). The LES provides funding for municipalities to deliver free basic services to poor households and subsidises the cost of administration and other core services for those municipalities that have the least potential to cover these costs from their own revenues.

A new formula for the LES was introduced in 2013/14, made up of five components:

$$\text{LES} = \text{BS} + (\text{I} + \text{CS}) \times \text{RA} \pm \text{C}$$

- Basic services component (BS), taking into account the cost of providing free basic water, sanitation, electricity and refuse removal services to households that fall below an affordability threshold.
- Institutional component (I), providing for the administration costs of providing basic services to households.
- Community services component (CS), catering for community services such as municipal health services, fire services, municipal roads, cemeteries, planning, storm water management, street lighting and parks.
- Revenue adjustment factor (RA), to account for the varying fiscal and revenue raising capacities of municipalities.
- Correction and stabilisation factor (C), to provide municipalities with predictable and stable equitable allocations.

The equitable share formula is currently being reviewed and areas of work include exploring factors that impact on costs, such as the land area served, settlement types, demand for fire services and municipal health services, population growth and the rising cost of free basic services, in particular bulk electricity and bulk water prices, etc.

4.2 Provincial receipts

4.2.1 Overall provincial position

Table 4.10 shows the actual and projected total revenue for the seven-year period, 2011/12 to 2017/18, while *Annexure 1.A* provides more detail.

National transfers to the province, which include equitable share and conditional grants, make up 97.1 per cent of provincial revenue in 2014/15, and is at the same level in 2017/18. The balance of the total provincial receipts is made up of provincial own revenue, and is at 2.9 per cent in 2014/15 and 2017/18.

The total provincial receipts projected over the MTEF are R102.130 billion, R107.459 billion and R113.490 billion, respectively. The share of national transfers increased from R76.242 billion in 2011/12 to R93.938 billion in 2014/15, increasing to R110.148 billion in 2017/18. The equitable share is the most significant portion of national transfers to the province at R82.254 billion, R86.885 billion and R91.430 billion over the MTEF.

Conditional grant funding provides a further R16.881 billion, R17.384 billion and R18.718 billion over the MTEF. The balance of the total receipts emanates from provincial own revenue. This grows from R2.995 billion to R3.342 billion over the MTEF.

Table 4.10 : Analysis of total receipts

| | Audited Outcome | | | Adjusted Appropriation | Medium-term Estimates | | | Average Annual Growth | |
|---------------------------|-------------------|-------------------|-------------------|------------------------|-----------------------|--------------------|--------------------|-----------------------|-----------------|
| | 2011/12 | 2012/13 | 2013/14 | | 2015/16 | 2016/17 | 2017/18 | 2011/12-2014/15 | 2014/15-2017/18 |
| R thousand | | | | | | | | | |
| Transfers from national | 76 241 558 | 82 590 160 | 88 230 571 | 93 938 177 | 99 134 621 | 104 269 522 | 110 147 510 | | |
| Equitable share | 63 584 195 | 68 638 663 | 73 926 587 | 78 138 477 | 82 253 946 | 86 885 446 | 91 429 978 | | |
| Conditional grants | 12 657 363 | 13 951 497 | 14 303 984 | 15 799 700 | 16 880 675 | 17 384 076 | 18 717 532 | | |
| Own revenue | 2 726 959 | 2 642 481 | 2 772 246 | 2 783 644 | 2 995 146 | 3 189 356 | 3 342 373 | | |
| Total receipts | 78 968 517 | 85 232 641 | 91 002 817 | 96 721 821 | 102 129 767 | 107 458 878 | 113 489 883 | | |
| % of total revenue | | | | | | | | | |
| Transfers from national | 96.5 | 96.9 | 97.0 | 97.1 | 97.1 | 97.0 | 97.1 | | |
| Equitable share | 80.5 | 80.5 | 81.2 | 80.8 | 80.5 | 80.9 | 80.6 | | |
| Conditional grants | 16.0 | 16.4 | 15.7 | 16.3 | 16.5 | 16.2 | 16.5 | | |
| Own revenue | 3.5 | 3.1 | 3.0 | 2.9 | 2.9 | 3.0 | 2.9 | | |
| Nominal growth (%) | | | | | | | | | |
| Transfers from national | | 8.3 | 6.8 | 6.5 | 5.5 | 5.2 | 5.6 | 7.2 | 5.4 |
| Equitable share | | 7.9 | 7.7 | 5.7 | 5.3 | 5.6 | 5.2 | 7.1 | 5.4 |
| Conditional grants | | 10.2 | 2.5 | 10.5 | 6.8 | 3.0 | 7.7 | 7.7 | 5.8 |
| Own revenue | | (3.1) | 4.9 | 0.4 | 7.6 | 6.5 | 4.8 | 0.7 | 6.3 |
| Total | | 7.9 | 6.8 | 6.3 | 5.6 | 5.2 | 5.6 | 7.0 | 5.5 |
| Real growth (%) | | | | | | | | | |
| Transfers from national | | 4.4 | 1.1 | 0.8 | 0.1 | (0.2) | 0.3 | 2.1 | 0.1 |
| Equitable share | | 4.0 | 1.9 | 0.1 | (0.1) | 0.2 | (0.1) | 2.0 | 0.0 |
| Conditional grants | | 6.2 | (3.0) | 4.6 | 1.4 | (2.3) | 2.3 | 2.5 | 0.4 |
| Own revenue | | (6.6) | (0.7) | (4.9) | 2.1 | 1.0 | (0.5) | (4.1) | 0.9 |
| Total receipts | | 4.0 | 1.0 | 0.6 | 0.2 | (0.2) | 0.3 | 1.9 | 0.1 |

Table 4.10 shows the analysis of total provincial receipts in terms of percentage shares, as well as nominal and real average annual growth rates over the seven-year period. In real terms, total provincial revenue growth is projected to fall to a growth rate of 0.1 per cent from 2014/15 to 2017/18, which is far lower than 1.9 per cent experienced between 2011/12 and 2014/15. Provincial own revenue shows an increasing trend, while its real average annual growth reflects negative growth of 4.1 per cent between 2011/12 and 2014/15, and rises significantly to an average of 0.9 per cent from 2014/15 to 2017/18.

In nominal terms, total receipts grow at an average of 7 per cent between 2011/12 and 2014/15 and then decline to an average of 5.5 per cent between 2014/15 to 2017/18. Provincial own revenue, on the contrary, reflects an upward trend, with an annual nominal growth average of 0.7 per cent between 2011/12 and 2014/15, and increasing markedly to 6.3 per cent over the MTEF.

4.2.2 Provincial equitable share (PES)

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

The equitable share allocation is based on demographic and economic statistics that attempt to capture the relative demand for public services. The largest portion of funds available to provinces is aimed at meeting Constitutional mandates, and at delivering a wide variety of public services. The 2011 Census data saw provinces such as Gauteng and Western Cape realising positive net migration, while KZN and Eastern Cape's population declined. Consequently, the lower national transfers as a result of the adjusted PES have a negative impact on service delivery. The province was severely impacted on by the implementation of fiscal consolidation, and is therefore also looking into new ways of generating own revenue in an attempt to mitigate the impact of the fiscal shock.

4.2.3 National conditional grants

When national conditional grants were introduced in 1998/99, their objective was to promote national priorities and to compensate provinces for the provision of specialised services across provincial boundaries. Subsequent to this phase, several conditional grants were introduced with varying purposes, conditions and outcomes. A number of changes were made to the conditional grant framework over time and some grants were merged.

Relative to the equitable share, conditional grants are used for more specific purposes, *inter alia*, infrastructure provision, institutional capacity building, and the implementation of various national priorities (e.g. HIV and AIDS and school nutrition programmes).

As illustrated in Table 4.10, KZN's conditional grant allocation has grown steadily since 2011/12. As a share of total revenue, the conditional grant allocation increases from 16 per cent in 2011/12 to 16.3 per cent in 2014/15 and a further increase to 16.5 per cent is realised in 2017/18, largely as a result of the Health Facility Revitalisation and Comprehensive HIV and AIDS grants. In real terms, the conditional grant allocation grew at an average annual rate of 2.5 per cent between 2011/12 and 2014/15, and falls to 0.4 per cent over the MTEF.

Table 4.11 summarises conditional grant transfers per vote and this is explained in the paragraphs after the table.

Table 4.11 : Summary of national conditional grant transfers by vote

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|-------------------|-------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Vote 3 : Agriculture and Rural Development | 233 935 | 262 968 | 287 036 | 296 760 | 296 760 | 296 760 | 308 525 | 305 377 | 324 991 |
| Land Care Programme grant | 9 244 | 16 242 | 18 746 | 10 854 | 10 854 | 10 854 | 10 666 | 11 157 | 11 812 |
| Comprehensive Agricultural Support Programme grant | 164 691 | 183 726 | 202 522 | 212 632 | 212 632 | 212 632 | 226 161 | 230 344 | 245 823 |
| Ilima/Letsema Projects grant | 60 000 | 63 000 | 65 768 | 69 093 | 69 093 | 69 093 | 69 402 | 63 876 | 67 356 |
| EPWP Integrated Grant for Provinces | - | - | - | 4 181 | 4 181 | 4 181 | 2 296 | - | - |
| Vote 4 : Econ. Dev., Tourism and Environ. Affairs | 8 852 | 10 708 | 550 | 16 827 | 16 827 | 16 827 | 8 162 | - | - |
| EPWP Integrated Grant for Provinces | 8 852 | 10 708 | 550 | 16 827 | 16 827 | 16 827 | 8 162 | - | - |
| Vote 5 : Education | 2 414 520 | 2 670 487 | 2 615 744 | 2 786 655 | 2 796 382 | 2 796 382 | 3 395 026 | 3 328 443 | 3 493 536 |
| Education Infrastructure grant | 1 175 956 | 1 413 001 | 1 306 421 | 1 385 781 | 1 385 781 | 1 385 781 | 1 978 683 | 1 857 648 | 1 950 530 |
| HIV and AIDS (Life-Skills Education) grant | 45 114 | 46 806 | 38 907 | 52 261 | 61 988 | 61 988 | 50 588 | 53 096 | 56 115 |
| National School Nutrition Programme (NSNP) grant | 1 144 368 | 1 151 644 | 1 206 190 | 1 237 534 | 1 237 534 | 1 237 534 | 1 287 034 | 1 355 247 | 1 423 009 |
| Maths, Science and Technology grant | - | - | - | - | - | - | 59 998 | 62 452 | 63 882 |
| Technical Secondary Schools Recapitalisation grant | 36 762 | 40 490 | 42 717 | 45 280 | 45 280 | 45 280 | - | - | - |
| Dinaledi Schools grant | 12 320 | 17 546 | 18 509 | 19 568 | 19 568 | 19 568 | - | - | - |
| OSD for Education Sector Therapists grant | - | - | - | 41 581 | 41 581 | 41 581 | 13 079 | - | - |
| Social Sector EPWP Incentive Grant for Provinces | - | - | - | 2 580 | 2 580 | 2 580 | 3 000 | - | - |
| EPWP Integrated Grant for Provinces | - | 1 000 | 3 000 | 2 070 | 2 070 | 2 070 | 2 644 | - | - |
| Vote 7 : Health | 4 435 205 | 5 023 849 | 5 429 296 | 6 228 886 | 6 428 886 | 6 228 886 | 6 903 719 | 7 264 366 | 7 985 087 |
| Health Professions Training and Development grant | 249 917 | 261 860 | 276 262 | 292 837 | 292 837 | 292 837 | 299 513 | 312 377 | 331 943 |
| Health Facility Revitalisation grant | 906 169 | 1 176 452 | 1 072 531 | 1 162 469 | 1 362 469 | 1 362 469 | 1 229 775 | 1 047 521 | 1 099 898 |
| National Tertiary Services grant | 1 201 831 | 1 323 114 | 1 415 731 | 1 496 427 | 1 496 427 | 1 496 427 | 1 530 246 | 1 596 286 | 1 696 266 |
| Comprehensive HIV and AIDS grant | 1 889 427 | 2 225 423 | 2 652 072 | 3 257 992 | 3 257 992 | 3 057 992 | 3 813 094 | 4 293 096 | 4 840 948 |
| Forensic Pathology Services grant | 161 550 | - | - | - | - | - | - | - | - |
| Social Sector EPWP Incentive Grant for Provinces | 25 775 | - | - | 2 581 | 2 581 | 2 581 | 13 000 | - | - |
| EPWP Integrated Grant for Provinces | 536 | 1 000 | 3 000 | 2 580 | 2 580 | 2 580 | 3 683 | - | - |
| National Health Insurance grant | - | 33 000 | 9 700 | 14 000 | 14 000 | 14 000 | 14 408 | 15 086 | 16 032 |
| AFCON: Medical Services grant | - | 3 000 | - | - | - | - | - | - | - |
| Vote 8 : Human Settlements | 2 801 547 | 2 915 297 | 3 335 584 | 3 273 045 | 3 273 045 | 3 273 045 | 3 242 055 | 3 414 957 | 3 632 106 |
| Human Settlements Development grant | 2 769 871 | 2 915 297 | 3 332 584 | 3 273 045 | 3 273 045 | 3 273 045 | 3 235 475 | 3 414 957 | 3 632 106 |
| Housing Disaster Relief grant | 31 140 | - | - | - | - | - | - | - | - |
| EPWP Integrated Grant for Provinces | 536 | - | 3 000 | - | - | - | 6 580 | - | - |
| Vote 9 : Community Safety and Liaison | - | 1 673 | 5 369 | 2 580 | 2 580 | 2 580 | 1 000 | - | - |
| Social Sector EPWP Incentive Grant for Provinces | - | 1 673 | 5 369 | 2 580 | 2 580 | 2 580 | 1 000 | - | - |
| Vote 11 : Co-op. Governance and Traditional Affairs | - | - | - | 3 471 | 3 471 | 3 471 | 4 119 | - | - |
| EPWP Integrated Grant for Provinces | - | - | - | 3 471 | 3 471 | 3 471 | 4 119 | - | - |
| Vote 12 : Transport | 2 157 272 | 2 373 740 | 2 464 340 | 2 752 384 | 2 752 384 | 2 752 384 | 2 759 623 | 2 815 406 | 3 008 345 |
| Transport Disaster Management grant | 29 736 | - | - | - | - | - | - | - | - |
| Public Transport Operations grant | 773 473 | 808 279 | 852 325 | 904 783 | 904 783 | 904 783 | 924 766 | 964 241 | 1 024 634 |
| EPWP Integrated Grant for Provinces | 117 415 | 64 290 | 88 487 | 59 443 | 59 443 | 59 443 | 55 602 | - | - |
| Provincial Roads Maintenance grant | 1 236 648 | 1 501 171 | 1 523 528 | 1 788 158 | 1 788 158 | 1 788 158 | 1 779 255 | 1 851 165 | 1 983 711 |
| Vote 13 : Social Development | 3 821 | - | 14 610 | 5 746 | 5 746 | 5 746 | 3 000 | - | - |
| Social Sector EPWP Incentive Grant for Provinces | 3 821 | - | 14 610 | 3 746 | 3 746 | 3 746 | 3 000 | - | - |
| EPWP Integrated Grant for Provinces | - | - | - | 2 000 | 2 000 | 2 000 | - | - | - |
| Vote 14 : Public Works | 465 546 | 552 608 | 3 000 | 3 168 | 3 168 | 3 168 | 3 057 | - | - |
| Devolution of Property Rate Funds grant | 463 585 | 551 100 | - | - | - | - | - | - | - |
| EPWP Integrated Grant for Provinces | 1 961 | 1 508 | 3 000 | 3 168 | 3 168 | 3 168 | 3 057 | - | - |
| Vote 15 : Arts and Culture | 48 971 | 48 619 | 63 695 | 124 856 | 124 856 | 124 856 | 159 696 | 164 273 | 176 737 |
| Community Library Services grant | 48 971 | 48 619 | 63 145 | 122 754 | 122 754 | 122 754 | 157 696 | 164 273 | 176 737 |
| EPWP Integrated Grant for Provinces | - | - | 550 | 2 102 | 2 102 | 2 102 | 2 000 | - | - |
| Vote 16 : Sport and Recreation | 87 694 | 91 548 | 84 760 | 95 595 | 95 595 | 95 595 | 92 693 | 91 254 | 96 730 |
| Mass Participation and Sport Development grant | 87 694 | 90 548 | 79 883 | 85 435 | 85 435 | 85 435 | 89 191 | 91 254 | 96 730 |
| EPWP Integrated Grant for Provinces | - | 1 000 | 550 | 2 102 | 2 102 | 2 102 | 2 000 | - | - |
| Social Sector EPWP Incentive Grant for Provinces | - | - | 4 327 | 8 058 | 8 058 | 8 058 | 1 502 | - | - |
| Total | 12 657 363 | 13 951 497 | 14 303 984 | 15 589 973 | 15 799 700 | 15 599 700 | 16 880 675 | 17 384 076 | 18 717 532 |

Relative to other provincial departments, DOH is the largest recipient of conditional grant funds. Although the Comprehensive HIV and AIDS grant increases over the MTEF, there is a planned reduction by NDOH in this grant of R280 million in 2014/15, to assist in funding pressures in NHLS. This grant

was also reduced over the 2015/16 MTEF to fund various NHLS functions moved from the provincial to the national sphere.

The Department of Education (DOE) is the second largest recipient of grant funding over the MTEF. This is largely due to the Education Infrastructure grant and the NSNP grant to address learning infrastructure and provide food to learners from highly impoverished communities, respectively.

DOHS is the third largest recipient of grant allocation. The growth was offset to some extent by the baseline cuts in the grant due to the data update resulting from the 2011 Census. The budget for the HSDG grows consistently over the 2015/16 MTEF at this stage. More detail in this regard is included in the Vote 8 chapter of the *EPRE*.

In the 2014/15 Adjusted Appropriation, DOT had an allocation of R2.752 billion and this increases to R3.008 billion in 2017/18. Further detail is found in Vote 12's chapter of the *EPRE*.

The EPWP Integrated Grant for Provinces is allocated to provincial departments in line with schedules to the DORA. Allocations are made to departments based on historical performance. The 2015/16 EPWP allocations are made to DOT at R55.602 million, DEDTEA at R8.162 million, DOHS at R6.580 million, COGTA at R4.119 million, DOH at R3.683 million, Department of Public Works (DOPW) at R3.057 million, DOE at R2.644 million, DARD at R2.296 million, DAC at R2 million and DOSR at R2 million.

4.2.4 Total provincial own receipts (own revenue)

Table 4.12 summarises provincial own revenue by economic classification.

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

Table 4.12 : Summary of provincial own receipts

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| | | | | | 2014/15 | | | | |
| Tax receipts | 1 637 846 | 1 771 278 | 1 889 687 | 1 998 720 | 1 998 720 | 2 005 850 | 2 149 313 | 2 293 713 | 2 400 822 |
| Casino taxes | 337 435 | 383 056 | 421 355 | 490 803 | 490 803 | 457 046 | 556 890 | 630 869 | 668 721 |
| Horse racing taxes | 68 422 | 64 674 | 66 899 | 81 902 | 81 902 | 74 562 | 91 337 | 101 859 | 107 971 |
| Liquor licences | 465 | 4 927 | 5 110 | 6 015 | 6 015 | 21 609 | 20 086 | 20 745 | 22 280 |
| Motor vehicle licences | 1 231 524 | 1 318 621 | 1 396 323 | 1 420 000 | 1 420 000 | 1 452 633 | 1 481 000 | 1 540 240 | 1 601 850 |
| Sale of goods and services other than capital assets | 383 949 | 405 979 | 447 676 | 420 744 | 420 744 | 423 632 | 449 170 | 475 371 | 499 826 |
| Transfers received | 459 | 1 060 | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | 45 352 | 51 125 | 39 547 | 25 617 | 25 617 | 37 220 | 38 681 | 40 591 | 42 621 |
| Interest, dividends and rent on land | 303 685 | 274 118 | 262 853 | 267 419 | 267 419 | 293 775 | 284 874 | 303 375 | 318 554 |
| Sale of capital assets | 18 109 | 44 100 | 31 147 | 19 516 | 19 516 | 37 210 | 18 760 | 19 535 | 20 877 |
| Transactions in financial assets and liabilities | 337 559 | 94 821 | 101 336 | 51 628 | 51 628 | 78 375 | 54 348 | 56 770 | 59 673 |
| Total receipts | 2 726 959 | 2 642 481 | 2 772 246 | 2 783 644 | 2 783 644 | 2 876 062 | 2 995 146 | 3 189 356 | 3 342 373 |

Table 4.12 shows *Tax receipts* which exhibit significant growth between 2011/12 and 2017/18. In nominal terms, *Tax receipts* increase from R1.638 billion in 2011/12 to R2.006 billion in the 2014/15 Revised Estimate with the main revenue collection category being *Motor vehicle licences*. Over the MTEF, *Tax receipts* are projected to rise from R2.149 billion in 2015/16 to R2.401 billion in 2017/18.

Sale of goods and services other than capital assets escalates from R383.949 million in 2011/12 to R499.826 million in 2017/18. The projected over-collection in the 2014/15 Revised Estimate can be ascribed to DOT, largely as a result of higher than anticipated increases in the applications for learners' licences and renewal of drivers' licences, as well as the conversion of drivers' licences. *Sale of goods and services other than capital assets* increases steadily over the MTEF, and the growth is attributable to inflationary increments.

Interest, dividends and rent on land fluctuates over the seven-year period. This revenue largely accrues from the interest earned from the Inter-Governmental Cash Co-ordination (IGCC) and Pay Master-General (PMG) accounts. The main determinants of the revenue accrued from this source are cash balances and the prevailing interest rates. The province has had a positive cash balance since May 2010 due to cost-cutting measures implemented by departments. Over the MTEF, revenue projections increase at a slow growth rate due to the impact that the Census data and fiscal consolidation cuts is anticipated to have on the province's cash balance.

Generally, the trend for *Transactions in financial assets and liabilities* collections is downward. Revenue has decreased from R337.559 million in 2011/12 to R59.673 million in 2017/18. The high collection in 2011/12 is due to once-off revenue collections resulting from funds paid over into the Provincial Revenue Fund in relation to housing projects which did not go ahead as planned in previous financial years. Further analysis for this category are included in the Vote 8 chapter of the *EPRE*. The nature of collections against this category makes it difficult to budget for it accurately, hence the budget over the MTEF is fairly conservative.

The following section is a detailed analysis of revenue per vote and is summarised in Table 4.13.

Table 4.13 : Summary of provincial own receipts by vote

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| | | | | | 2014/15 | | | | |
| 1. Office of the Premier | 959 | 922 | 906 | 588 | 588 | 891 | 536 | 573 | 612 |
| 2. Provincial Legislature | 1 554 | 2 331 | 3 924 | 703 | 703 | 2 523 | 735 | 774 | 813 |
| 3. Agriculture and Rural Development | 20 516 | 19 376 | 17 882 | 21 302 | 21 302 | 27 586 | 23 292 | 24 732 | 26 299 |
| 4. Economic Development, Tourism and Enviro Affairs | 3 464 | 13 182 | 9 555 | 8 770 | 8 770 | 24 712 | 22 852 | 23 524 | 25 198 |
| 5. Education | 89 105 | 85 812 | 107 494 | 73 199 | 73 199 | 73 199 | 81 245 | 87 684 | 92 392 |
| 6. Provincial Treasury | 695 110 | 718 176 | 738 992 | 839 470 | 839 470 | 823 578 | 932 322 | 1 035 253 | 1 094 324 |
| 7. Health | 207 998 | 238 489 | 270 747 | 246 161 | 246 161 | 246 161 | 257 958 | 271 630 | 285 211 |
| 8. Human Settlements | 269 168 | 15 096 | 9 431 | 1 830 | 1 830 | 30 107 | 2 052 | 2 198 | 2 308 |
| 9. Community Safety and Liaison | 70 | 75 | 79 | 85 | 85 | 85 | 92 | 97 | 101 |
| 10. The Royal Household (moved to OTP) | - | - | - | - | - | - | - | - | - |
| 11. Co-operative Governance and Traditional Affairs | 3 959 | 7 578 | 7 470 | 3 203 | 3 203 | 5 274 | 3 653 | 3 491 | 3 866 |
| 12. Transport | 1 409 482 | 1 502 265 | 1 577 298 | 1 572 160 | 1 572 160 | 1 616 683 | 1 653 507 | 1 721 411 | 1 792 102 |
| 13. Social Development | 16 417 | 13 270 | 6 238 | 6 931 | 6 931 | 7 442 | 7 372 | 7 841 | 8 233 |
| 14. Public Works | 6 116 | 23 642 | 18 258 | 8 252 | 8 252 | 16 640 | 8 426 | 8 967 | 9 664 |
| 15. Arts and Culture | 2 647 | 1 755 | 3 235 | 715 | 715 | 830 | 805 | 865 | 917 |
| 16. Sport and Recreation | 394 | 512 | 737 | 275 | 275 | 351 | 300 | 317 | 332 |
| Total provincial own receipts | 2 726 959 | 2 642 481 | 2 772 246 | 2 783 644 | 2 783 644 | 2 876 062 | 2 995 146 | 3 189 356 | 3 342 373 |
| Provincial Legislature receipts not surrendered to PRF | 1 554 | 2 331 | 3 924 | 703 | 703 | 2 523 | 735 | 774 | 813 |
| Total adjusted provincial own receipts | 2 725 405 | 2 640 150 | 2 768 322 | 2 782 941 | 2 782 941 | 2 873 539 | 2 994 411 | 3 188 582 | 3 341 560 |

The most significant revenue contributors in the province are DOT, Provincial Treasury, DOH and DOE. Other departments remain small contributors even though, in nominal terms, their collections have exhibited growth.

Transport

DOT continues to be the main contributor to total provincial own revenue (mainly against *Motor vehicle licences*). The department's revenue rises from R1.409 billion in 2011/12 to R1.617 billion in the 2014/15 Revised Estimate. The increase over the seven-year period can be attributed to the growth in vehicle population and higher than anticipated application of new and the renewal of motor vehicle licences. Over the MTEF, total revenue increases, *albeit* at a slower rate.

Revenue generated from *Motor vehicle licences* increases from R1.232 billion in 2011/12 to R1.602 billion in 2017/18 (Table 4.12). The major reason for the abating growth in revenue is lower inflation of motor vehicle licence fees by the department as the province continues to lose revenue to cheaper provinces, such as Mpumalanga. The projected revenue growth can also be attributed to the initiatives of DOT to improve service delivery at the various registering authorities, for the registration and licensing of motor vehicles.

Presently, the variances between motor vehicle licence fees charged across all provinces in the various fee categories are significant. This has been discussed at national and provincial levels for quite some time, with the view of standardising fees across provinces (as is the case with the Health patient fee structure).

The rationale of uniform fees will be to avoid loss of revenue to cheaper provinces against an ever increasing cost (e.g. road maintenance costs) as those vehicles continue to use KZN's roads.

Provincial Treasury

The department's main sources of revenue are *Casino taxes* (in respect of the KZN Gaming and Betting Board (KZNGBB)) and *Interest, dividends and rent on land*. The department's revenue collection increases from R695.110 million in 2011/12 to R1.094 billion in 2017/18. *Casino taxes*, which are largely derived from Limited Payout Machines and Bingo gaming revenue, accelerated markedly from 2012/13 onward following the increase in tax rates which came into effect in November 2012. Growth over the 2015/16 MTEF can be ascribed to the expected developments in this industry.

Provincial Treasury generates a significant portion of own revenue through interest earned on positive cash balances in the IGCC and the PMG accounts, which is reflected against *Interest, dividends and rent on land*. The significant improvement, although fluctuating over the seven-year period, is due to the collective implementation of cost-cutting by provincial departments. The decline in revenue collected in 2013/14 was due to the Census data cuts and the 1, 2 and 3 per cent baseline reductions implemented by National Treasury. Over the MTEF, revenue projections increase at a slow growth rate due to the impact that the Census data and fiscal consolidation cuts is anticipated to have on the province's cash balance.

Health

The receipts of DOH rose from R207.998 million in 2011/12 to R246.161 million in the 2014/15 Revised Estimate. Over the MTEF, significant growth is expected from R257.958 million in 2015/16 to R285.211 million in 2017/18. DOH's largest proportion of revenue is from patient fees and boarding fees for staff accommodation.

The department is focusing on increasing efficiencies in patient billing and revenue collection. One of the major objectives is to eliminate leakages in the system, and to shorten patient payment intervals. Historically, patient fee collections have under-performed due to there being no concise strategy to enhance collections from medical aid schemes, Road Accident Fund (RAF) and other statutory accounts, such as SAPS and Correctional Services. More attention continues to be given to the assessment of patients' ability to pay, the correct billing of patients and the timeous recovery of debts from patients and other third parties, such as medical aids. DOH needs to continue to focus on clearing, *inter alia*, all medical aid and RAF invoices that accumulate in the institutions. Revenue collection processes remain sub-optimal as a consequence of continued reliance on manual billing systems.

Education

The prime source of own revenue for the department is *Sale of goods and services other than capital assets*. This includes commission earned on payroll deductions such as insurance and garnishees, examination and remarking fees, as well as fees for the viewing of scripts, and housing and parking rentals for staff members. *Transactions in financial assets and liabilities* is also a major source of revenue for the department which consists mainly of debts owed to the department, as well as refunds relating to previous years' expenditure.

4.2.5 Donor funding and agency receipts

Table 4.14 indicates donor funding and agency receipts, per department, over the 2015/16 MTEF. More detail is provided in Table 1.G in the *Annexure* to this *OPRE*. Donor funding is not voted for, and is relatively small in value. This funding gives an indication of additional local and international resources available to the province. Each department receiving donor funding and/or agency receipts has a table in the departmental chapter in the *EPRE*, indicating how the donor funding and agency receipts have been spent over the seven-year period.

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

Table 4.14 : Donor funding and agency receipts

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Donor Funding | 19 346 | 26 768 | 30 874 | 73 860 | 72 544 | 79 766 | 53 410 | 45 650 | - |
| Office of the Premier | 9 066 | 24 079 | 24 079 | 26 829 | 26 829 | 34 553 | 12 894 | 6 450 | - |
| Agriculture and Rural Development | 1 315 | 1 805 | 2 291 | 2 984 | 2 984 | 2 482 | - | - | - |
| Education | 4 616 | - | - | - | - | - | - | - | - |
| Provincial Treasury | - | - | - | 41 600 | 41 600 | 41 600 | 39 200 | 39 200 | - |
| Health | 4 231 | 884 | 3 677 | 331 | 331 | 331 | - | - | - |
| Co-operative Governance and Traditional Affairs | 118 | - | 827 | 2 116 | 800 | 800 | 1 316 | - | - |
| Agency Receipt | 8 517 | 7 585 | - | 8 500 | 8 500 | 1 264 | 3 792 | 2 528 | - |
| Transport | 8 517 | 7 585 | - | 8 500 | 8 500 | 1 264 | 3 792 | 2 528 | - |
| Total | 27 863 | 34 353 | 30 874 | 82 360 | 81 044 | 81 030 | 57 202 | 48 178 | - |

4.2.5.1 Donor funding

The recipients of donor funding over the 2015/16 MTEF are OTP and Provincial Treasury amounting to R52.094 million in 2015/16 and declining to R45.650 million in 2016/17.

OTP receives funding for the National Skills Fund of R6.444 million in 2015/16. For the MERSETA, the department receives R6.450 million in 2015/16 and 2016/17, respectively. These amounts, through the Provincial Public Service Training Academy, will fund the following learning programmes:

- Learnerships in the construction sector.
- Automotive apprenticeships.
- Manufacturing and engineering apprenticeships and learnerships.
- NYS skills programmes implemented by the DOPW.

Provincial Treasury receives a total of R121.058 million from 2014/15 to 2016/17, from the European Union (EU) through the General Budget Support initiative for the funding of KZN Science Parks. Specifically, the department receives R39.200 million in 2015/16 and 2016/17, respectively. The main aim of the science parks is the commercialisation of innovative ideas through which products, processes, strategies and services are formulated to create job opportunities and to create business synergies.

4.2.5.2 Agency receipts

DOT receives funding from the South African National Roads Agency Limited (SANRAL), to cater for an extended overload control function on the national road network in KZN. In 2014/15, the department budgeted to receive R8.500 million against the Revised Estimate of R1.264 million. This reduction in funding is due to SANRAL indicating that only three weighbridges on the N3 corridor form part of the agreement, namely Westmead, Mkondeni and Midway. Also, in terms of a new contract, SANRAL will remunerate in respect of the number of vehicles weighed. This is in contrast to the previous contract where SANRAL paid for the salaries of the traffic officers undertaking the weighing and all applicable administrative costs. The decrease from R3.792 million in 2015/16 to R2.528 million in 2016/17 is attributed to the expiration of the current contract in November 2016. The department envisages signing a new contract with SANRAL, and hence no allocation has been budgeted for 2017/18.

5. PAYMENTS

5.1 Overall position

Total provincial payments increased from R77.654 billion in 2011/12 to an estimated R96.499 billion in 2014/15. This positive growth is set to continue over the 2015/16 MTEF, with the aggregated estimates of R101.961 billion in 2015/16 growing to R112.773 billion in 2017/18.

The additional funding over and above the existing (2014/15 MTEF) growth within the various departments' baselines caters for, among others:

- Carry-through of the 2014/15 Adjustments Estimate, such as the suspension and roll-over of funds for the Luwamba Wellness Centre, OSS war-rooms, Learner Transport programme, GIAMA, etc.
- Additional funding over the 2015/16 MTEF, for part of the carry-through of the 2014 wage agreement in Education and Health only. It must be noted that this funding comes from the provincial fiscus as National Treasury did not provide additional funding for the higher than anticipated 2014 wage agreement. Other departments had to reprioritise within their existing baselines to cover the full impact of this, whereas Health and Education had to reprioritise to cover 60 per cent of the carry-through of the wage agreement.
- The decentralisation of external bursaries budget from OTP after a decision was taken by Cabinet.

The 2015/16 MTEF is prepared against the backdrop of the nationally implemented fiscal consolidation which has resulted in cuts against the equitable share funding and conditional grant funding. In KZN, a decision was taken by Cabinet to absorb the fiscal consolidation cuts by reducing the Contingency Reserve to R750 million per year, and stopping the Strategic Cabinet Initiatives Fund, which released R100 million in each year. In addition, the government office precinct project was once again put on hold to release funding of R600 million in 2016/17. This allowed the province to leave the baselines of departments uncut and allow for service delivery to continue, while taking into account the provincial financial control measures and the cost-containment measures issued by National Treasury in 2013/14.

Departments were advised to freeze their spending on non-essential items at 2014/15 levels. This will be monitored through the In-Year Monitoring process. Also worth noting in the 2015/16 MTEF is the dissolution of the DRH, which now forms part of OTP in line with Presidential Proclamation 83 of 2014.

5.2 Payments by vote

Table 5.1 illustrates the summary of provincial payments by vote.

Table 5.1 : Summary of provincial payments and estimates by vote

| R thousand | Audited 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 Premier | 524 129 | 697 795 | 721 074 | 751 370 | 745 112 | 745 112 | 743 214 | 746 934 | 784 281 |
| 2. Provincial Legislature | 380 588 | 431 718 | 460 929 | 491 186 | 483 590 | 483 590 | 465 494 | 480 352 | 504 370 |
| 3. Agriculture and Rural Development | 1 782 966 | 2 109 591 | 2 005 528 | 2 133 126 | 2 169 946 | 2 169 946 | 2 203 074 | 2 290 677 | 2 409 455 |
| 4. Economic Development, Tourism and Enviro Affairs | 2 226 580 | 2 421 869 | 3 311 354 | 2 883 969 | 3 013 455 | 3 013 455 | 2 973 459 | 3 080 528 | 3 219 734 |
| 5. Education | 32 809 703 | 34 556 731 | 37 156 042 | 38 918 092 | 39 066 103 | 39 092 741 | 42 142 355 | 44 210 091 | 46 488 066 |
| 6. Provincial Treasury | 411 205 | 557 733 | 623 448 | 878 315 | 708 472 | 667 134 | 712 151 | 707 768 | 708 506 |
| 7. Health | 24 791 118 | 27 390 533 | 29 531 410 | 30 914 196 | 31 119 465 | 30 919 465 | 32 981 786 | 34 741 665 | 36 873 548 |
| 8. Human Settlements | 3 042 495 | 3 377 771 | 3 617 002 | 3 600 282 | 3 622 443 | 3 622 443 | 3 584 685 | 3 776 080 | 4 011 284 |
| 9. Community Safety and Liaison | 145 239 | 135 892 | 171 922 | 181 295 | 179 692 | 179 692 | 187 069 | 198 470 | 200 285 |
| 10. The Royal Household (moved to OTP) | - | - | - | - | - | - | - | - | - |
| 11. Co-operative Governance and Traditional Affairs | 1 106 349 | 1 314 550 | 1 242 496 | 1 348 076 | 1 486 694 | 1 486 694 | 1 368 043 | 1 436 920 | 1 508 766 |
| 12. Transport | 6 639 855 | 7 650 308 | 8 055 187 | 9 060 595 | 9 050 885 | 9 050 885 | 9 341 457 | 9 735 659 | 10 274 611 |
| 13. Social Development | 1 934 257 | 1 985 386 | 2 329 906 | 2 497 952 | 2 489 760 | 2 489 760 | 2 630 481 | 2 767 560 | 2 905 938 |
| 14. Public Works | 1 182 268 | 1 133 311 | 1 270 253 | 1 369 361 | 1 391 763 | 1 392 088 | 1 389 666 | 1 449 782 | 1 526 583 |
| 15. Arts and Culture | 369 752 | 479 744 | 698 686 | 705 112 | 730 120 | 730 120 | 783 914 | 819 399 | 894 444 |
| 16. Sport and Recreation | 307 836 | 367 751 | 414 968 | 456 379 | 455 571 | 455 571 | 454 389 | 440 571 | 463 512 |
| Total | 77 654 340 | 84 610 682 | 91 610 205 | 96 189 306 | 96 713 071 | 96 498 696 | 101 961 237 | 106 882 456 | 112 773 383 |

The trend analysis reveals that most departments' budgets are set to increase from the 2014/15 Main Appropriation to 2015/16 against the backdrop of the fiscal consolidation. However, it must be noted that allocations for some departments (OTP, Provincial Legislature, DEDTEA, DOHS and DOSR) reflect a decrease from the 2014/15 Adjusted Appropriation to 2015/16 due to once-off funding allocated during the 2014/15 Adjustments Estimate, such as funding for various events through the Strategic Cabinet Initiatives fund (which has no funding over the 2015/16 MTEF) and roll-overs. More detail of the payments and estimates is given under each vote's chapter in the *EPRE*.

The allocation over the 2015/16 MTEF reflects inflationary growth. The fiscal consolidation was implemented to enforce an expenditure ceiling for government. This resulted in National Treasury reducing the equitable share and conditional grant baselines over the MTEF, as previously mentioned. The fiscal consolidation implemented over the 2015/16 MTEF will not have an impact on service delivery in KZN, as departments' baselines were not reduced, as mentioned above. There will be pressure on service delivery, though, over the 2015/16 MTEF due to lack of additional funding for the carry-through of the 2014 wage agreement, which required departments to reprioritise from within their baselines.

The reduction in the Provincial Legislature in 2015/16 when compared to the 2014/15 Adjusted Appropriation relates to once-off additional funding allocated in respect of the Hansard production equipment and the once-off allocation for exit packages of Members of the Provincial Legislature (MPLs) whose tenure was affected by the general election. It must be noted that funding for the exit packages for MPLs was not fully utilised in 2014/15 and R9.500 million was suspended for re-allocation in 2015/16 for strengthening oversight and for IT infrastructure upgrade.

DEDTEA reflects a substantial reduction from the 2014/15 Adjusted Appropriation and Revised Estimate to 2015/16 due to various once-off additional funding for strategic events such as the Nelson Mandela Golf Tournament, Volvo European Golf Championship, etc. It must be noted that there will be no funding for strategic Cabinet initiatives as the fund was stopped to absorb the fiscal consolidation reductions over the 2015/16 MTEF. The department will have to fund the events from within its existing baseline or from strategic partnerships in terms of sponsorships with the private sector or other strategic partners.

DOE reflects a significant increase from the 2014/15 Adjusted Appropriation to 2015/16 due to additional funding (from previous MTEF processes) allocated for the various higher than budget wage agreements, re-grading of clerical staff, with carry-through costs over the MTEF, and additional funding (from the provincial fiscus) for personnel spending pressures relating to previous years' higher than budget wage agreements and shortfalls in funding for OSD for educators. The department reflects a significant increase in 2015/16 due to additional funding for the appointment of additional Grade R teachers and for increasing the number of teachers in quintile 1 schools, allocated from 2015/16. In addition, the additional funding in the 2014/15 MTEF, for the carry-through of wage agreements, was higher from 2015/16, contributing to this high growth in 2015/16. It must be noted that, due to the critical nature of the department's mandate and the spending pressures, a large portion of any additional funding available for wage agreements is allocated to this department, while other departments have to reprioritise from within their existing baselines.

DOH reflects a steady increase over the 2015/16 MTEF. The department received some additional funding for the carry-through of previous wage agreements and the purchase of the St Aidan's Hospital (from the provincial fiscus). As with DOE, due to the critical nature of the department's mandate and the spending pressures, a large portion of any additional funding available for wage agreements is allocated to this department, while other departments have to reprioritise from within their existing baselines. The Comprehensive HIV and AIDS grant on the other hand was reduced slightly in respect of the NHLS function. The department's equitable share was also reduced in respect of the NHLS and the Port Health Services function shifts.

The Social Sector, comprising Education, Health and Social Development, reflects positive growth over the 2015/16 MTEF. Also contributing to the growth, to a larger extent, are higher than anticipated wage agreements, including the 2014 wage agreement, for which funding was allocated (to Education and Health only) by Provincial Treasury in the absence of funding from National Treasury.

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

Table 5.2 : Analysis of payments and estimates by major vote

| | Audited Outcome | | | Adjusted Appropriation | Medium-term Estimates | | | Average Annual Growth | |
|-------------------------------|-------------------|-------------------|-------------------|------------------------|-----------------------|--------------------|--------------------|-----------------------|-----------------|
| | 2011/12 | 2012/13 | 2013/14 | | 2015/16 | 2016/17 | 2017/18 | 2011/12-2014/15 | 2014/15-2017/18 |
| R thousand | | | | | | | | | |
| Education | 32 809 703 | 34 556 731 | 37 156 042 | 39 066 103 | 42 142 355 | 44 210 091 | 46 488 066 | | |
| Health | 24 791 118 | 27 390 533 | 29 531 410 | 31 119 465 | 32 981 786 | 34 741 665 | 36 873 548 | | |
| Social Development | 1 934 257 | 1 985 386 | 2 329 906 | 2 489 760 | 2 630 481 | 2 767 560 | 2 905 938 | | |
| Other Functions | 18 119 262 | 20 678 033 | 22 592 847 | 24 037 743 | 24 206 615 | 25 163 140 | 26 505 831 | | |
| Total expenditure | 77 654 340 | 84 610 682 | 91 610 205 | 96 713 071 | 101 961 237 | 106 882 456 | 112 773 383 | | |
| % of total expenditure | | | | | | | | | |
| Education | 42.3 | 40.8 | 40.6 | 40.4 | 41.3 | 41.4 | 41.2 | | |
| Health | 31.9 | 32.4 | 32.2 | 32.2 | 32.3 | 32.5 | 32.7 | | |
| Social Development | 2.5 | 2.3 | 2.5 | 2.6 | 2.6 | 2.6 | 2.6 | | |
| Other Functions | 23.3 | 24.4 | 24.7 | 24.9 | 23.7 | 23.5 | 23.5 | | |
| Nominal growth (%) | | | | | | | | | |
| Education | | 5.3 | 7.5 | 5.1 | 7.9 | 4.9 | 5.2 | 6.0 | 6.0 |
| Health | | 10.5 | 7.8 | 5.4 | 6.0 | 5.3 | 6.1 | 7.9 | 5.8 |
| Social Development | | 2.6 | 17.4 | 6.9 | 5.7 | 5.2 | 5.0 | 8.8 | 5.3 |
| Other Functions | | 14.1 | 9.3 | 6.4 | 0.7 | 4.0 | 5.3 | 9.9 | 3.3 |
| Total expenditure | | 9.0 | 8.3 | 5.6 | 5.4 | 4.8 | 5.5 | 7.6 | 5.3 |
| Real growth (%) | | | | | | | | | |
| Education | | 1.5 | 1.7 | (0.4) | 2.3 | (0.5) | (0.1) | 0.9 | 0.6 |
| Health | | 6.4 | 2.0 | (0.2) | 0.6 | (0.1) | 0.8 | 2.7 | 0.4 |
| Social Development | | (1.1) | 11.0 | 1.2 | 0.2 | (0.2) | (0.3) | 3.6 | (0.1) |
| Other Functions | | 9.9 | 3.4 | 0.8 | (4.5) | (1.4) | 0.0 | 4.6 | (2.0) |
| Total expenditure | | 5.0 | 2.4 | (0.0) | 0.0 | (0.5) | 0.2 | 2.4 | (0.1) |

As mentioned above, Social Sector spending reflects positive growth, in nominal terms, over the MTEF. The sector reflects steady average annual growth from 2011/12 to 2014/15 and also from 2014/15 to 2017/18 in nominal terms while, in real terms, there is low growth in the first period and negative growth for the latter period. The share of total spending fluctuates over the seven years, with 2011/12 being high at 76.7 per cent, reducing to 75.2 per cent in 2014/15 and staying at an average of 76.4 per cent over the 2015/16 MTEF. The share of total expenditure for Other Functions also fluctuates over the seven years, with 2011/12 being lower at 23.3 per cent, before increasing to 24.9 per cent in 2014/15 and stabilising at 23.5 per cent average over the 2015/16 MTEF.

DOE remains the highest spending provincial department, at 40.4 per cent in 2014/15 and increasing slightly to 41.3 per cent in 2015/16, and decreasing marginally to 41.2 per cent in 2017/18, attributable to the reduced allocation for the Education Infrastructure grant. DOE's budget increases by an average annual nominal (real) growth of 6 (0.9) per cent between 2011/12 and 2014/15, and 6 (0.6) per cent between 2014/15 and 2017/18. Although the baseline allocation for the department was cut by a substantial amount in 2015/16, relating to Census data baseline cuts, 2015/16 still reflects a significant increase due to additional allocations for national priorities such as the increase in the number of teachers in quintile 1 schools and the increase in the number of Grade R teachers (allocated over the 2013/14 MTEF, but with funds becoming available in 2015/16).

DOH remains the second highest spending provincial department, with a generally steady share of 31.9 per cent in 2011/12, increasing to 32.2 per cent in 2014/15 and increasing over the 2015/16 MTEF to 32.7 per cent in 2017/18. The budget of the department reflects a healthy average annual nominal (real) growth of 7.9 (2.7) per cent between 2011/12 and 2014/15, and a steady average annual growth of 5.8 (0.4) per cent between 2014/15 and 2017/18. The latter period reflects reduced growth due to the lower allocation for the Health Facility Revitalisation grant as a result of the outcome of the bidding process which resulted in lower allocations for 2016/17 and 2017/18 at this stage.

The Department of Social Development (DSD) reflects a steady share of total expenditure, at 2.5 per cent in 2011/12 due to implementation of various national priorities (discussed briefly below), reducing to 2.3 per cent in 2012/13, and remains steady at 2.6 per cent in 2014/15 and over the 2015/16 MTEF. The department enjoys healthy average nominal (real) growth of 8.8 (3.6) per cent between 2011/12 and 2014/15 due to additional funding for the absorption of social work graduates and support to the NGO sector. This growth declines to 5.3 (-0.1) per cent between 2014/15 and 2017/18. The department shows significant annual nominal (real) growth of 17.4 (11) per cent in 2013/14 due to increased spending for national priorities such as Child and Youth Care and Victim Empowerment. The growth shows a declining trend over the 2015/16 MTEF, with an average annual nominal (real) growth of 5 (-0.3) per cent in 2017/18.

Other Functions reflect higher average annual nominal (real) growth of 9.9 (4.6) between 2011/12 and 2014/15 when compared to 3.3 (-2) per cent between 2014/15 and 2017/18. The higher annual growth of 14.1 per cent in 2012/13 can be attributable to increased spending relating to once-off additional funding, allocated to various departments, especially DEDTEA for various strategic events, such as the Nelson Mandela Golf Tournament, North Sea Jazz Festival, Metro FM Awards, etc. Also contributing was increased spending relating to once-off additional funding to DARD for various programmes, such as the Makhathini development, control of rabies outbreak, etc. OTP also incurred increased spending relating to additional funding for various initiatives such as the hosting of the 2013 AFCON tournament, Youth Ambassadors programme, etc.

5.3 Payments by economic classification

5.3.1 Provincial summary of payments and estimates by economic classification

Table 5.3 presents a summary of payments and estimates by economic classification. Table 1.B in the *Annexure to the OPRE* provides more detail in this regard.

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

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|--------------------|--------------------|
| | 2011/12 | 2012/13 | 2013/14 | | 2014/15 | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 61 381 940 | 66 262 945 | 71 893 964 | 77 052 013 | 77 459 324 | 77 092 154 | 82 943 692 | 87 770 783 | 92 898 593 |
| Compensation of employees | 45 550 938 | 49 255 854 | 54 022 777 | 57 824 709 | 58 375 627 | 58 218 824 | 62 289 398 | 66 266 216 | 70 235 446 |
| Goods and services | 15 829 439 | 17 006 408 | 17 864 641 | 19 219 536 | 19 082 692 | 18 869 970 | 20 644 062 | 21 493 793 | 22 651 835 |
| Interest and rent on land | 1 563 | 683 | 6 547 | 7 768 | 1 005 | 3 360 | 10 232 | 10 774 | 11 313 |
| Transfers and subsidies to: | 9 072 353 | 9 749 034 | 11 420 033 | 10 884 317 | 11 309 878 | 11 553 157 | 11 049 595 | 11 368 459 | 11 955 060 |
| Provinces and municipalities | 1 074 755 | 1 204 335 | 1 139 927 | 1 225 106 | 1 228 356 | 1 290 360 | 1 161 263 | 1 073 821 | 1 059 049 |
| Departmental agencies and accounts | 1 549 676 | 1 824 193 | 1 847 649 | 1 892 288 | 1 921 034 | 1 924 206 | 2 042 536 | 2 168 148 | 2 265 481 |
| Higher education institutions | - | 57 | 501 | - | 250 | 266 | - | - | - |
| Foreign governments and international organisations | 173 | 233 | 221 | 198 | 198 | 255 | 207 | 217 | 228 |
| Public corporations and private enterprises | 1 160 670 | 1 212 552 | 1 394 552 | 1 243 730 | 1 616 316 | 1 611 595 | 1 403 882 | 1 407 125 | 1 481 531 |
| Non-profit institutions | 2 332 067 | 2 489 288 | 3 325 237 | 3 121 422 | 3 068 567 | 3 051 723 | 3 101 029 | 3 158 238 | 3 304 856 |
| Households | 2 955 012 | 3 018 376 | 3 711 947 | 3 401 573 | 3 475 157 | 3 674 752 | 3 340 678 | 3 560 910 | 3 843 915 |
| Payments for capital assets | 7 108 181 | 8 520 531 | 8 186 603 | 8 142 008 | 7 854 355 | 7 763 063 | 7 728 031 | 7 500 369 | 7 690 999 |
| Buildings and other fixed structures | 5 892 076 | 7 508 265 | 7 523 677 | 7 393 372 | 7 040 034 | 7 061 710 | 6 977 955 | 6 667 457 | 6 873 125 |
| Machinery and equipment | 1 159 410 | 953 270 | 629 908 | 730 902 | 792 551 | 678 851 | 729 732 | 813 373 | 799 948 |
| Heritage assets | 1 819 | 10 794 | 4 659 | 5 000 | 8 080 | 8 100 | 4 200 | 4 462 | 4 684 |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | 7 354 | 9 542 | 474 | 586 | 586 | 586 | 606 | 636 | 668 |
| Land and sub-soil assets | 26 455 | 7 018 | - | - | - | 7 | - | - | - |
| Software and other intangible assets | 21 067 | 31 642 | 27 885 | 12 148 | 13 104 | 13 809 | 15 538 | 14 441 | 12 574 |
| Payments for financial assets | 26 265 | 11 012 | 38 511 | 2 500 | 3 273 | 4 081 | 157 598 | 157 055 | 139 500 |
| Total | 77 588 739 | 84 543 522 | 91 539 110 | 96 080 838 | 96 626 830 | 96 412 455 | 101 878 916 | 106 796 666 | 112 684 153 |
| Statutory payments (Members' remuneration) | 65 601 | 67 160 | 71 095 | 108 468 | 86 241 | 86 241 | 82 321 | 85 790 | 89 230 |
| Total economic classification (incl. stat. payment) | 77 654 340 | 84 610 682 | 91 610 205 | 96 189 306 | 96 713 071 | 96 498 696 | 101 961 237 | 106 882 456 | 112 773 383 |

The category *Current payments* consumes the bulk of the total provincial spending, at an average of 82 per cent over the 2015/16 MTEF and is set to increase from R77.092 billion in the 2014/15 Revised Estimate to R92.899 billion in 2017/18. The largest portion of this category and the entire budget relates to *Compensation of employees*, which is set to increase from R58.219 billion in the 2014/15 Revised Estimate to R70.235 billion in 2017/18. The increase from the 2014/15 Revised Estimate to 2015/16 is attributable to the anticipated filling of critical vacant posts by various departments while taking into consideration the moratorium on the filling of non-critical vacant posts, and the inflationary wage adjustment. The bulk of the budget under *Compensation of employees* is allocated to Education and Health, due to the high number of employees in these departments.

Transfers and subsidies shows a fluctuating trend between 2011/12 and 2017/18. A substantial portion of *Transfers and subsidies* is allocated against *Transfers and subsidies to: Non-profit institutions*, and a large portion thereof relates to transfers to public schools for norms and standards. Also included are transfers to public entities such as the Dube TradePort Corporation (DTPC) and EKZNW under DEDTEA. *Transfers and subsidies to: Provinces and municipalities*, which relates mainly to transfers to municipalities for housing projects, fluctuates over the seven-year period. The decrease from the 2014/15 Adjusted Appropriation to 2015/16 is due to the classification of funding for Small Town Rehabilitation,

Corridor Development, Massification and the LED programmes under COGTA as *Goods and services*. This funding will be reclassified as *Transfers and subsidies* once the department is satisfied of the municipalities' capacity to implement the projects.

Payments for capital assets reflects fluctuations over the seven-year period, growing from R7.108 billion in 2011/12 to R8.521 billion in 2012/13, declining from R7.854 billion in the 2014/15 Adjusted Appropriation to R7.728 billion in 2015/16 and to R7.691 billion in 2017/18 due to the lower allocation for the Education and Health infrastructure grants as a result of the bidding process for these infrastructure grants, as mentioned earlier. *Buildings and other fixed structures*, which consumes a large portion of the allocation, reflects no growth over the MTEF, indicative of the effect of the reduced allocations of the infrastructure grants and the reprioritisation of equitable share infrastructure budgets under DOE to fund personnel spending pressures. The allocation declines to R7.040 billion in the 2014/15 Adjusted Appropriation and declines further to R6.873 billion in 2017/18 due to the previously mentioned reprioritisation by DOE and lower allocations for the Education Infrastructure grant and the Health Facility Revitalisation grant.

The spending against the category *Payments for financial assets* reflects the first charge amounts (in line with Section 34(2) of the PFMA) in respect of unauthorised expenditure. Also included, although to a lesser extent, are the write-offs of irrecoverable debts by various departments.

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

Table 5.4 : Analysis of payments and estimates by economic classification

| | Audited Outcome | | | Adjusted Appropriation 2014/15 | Medium-term Estimates | | | Average Annual Growth | |
|-------------------------------------|-------------------|-------------------|-------------------|-----------------------------------|-----------------------|--------------------|--------------------|-----------------------|---------------------|
| | 2011/12 | 2012/13 | 2013/14 | | 2015/16 | 2016/17 | 2017/18 | 2011/12- 2014/15 | 2014/15- 2017/18 |
| R thousand | | | | | | | | | |
| Current | 61 447 541 | 66 330 105 | 71 965 059 | 77 545 565 | 83 026 013 | 87 856 573 | 92 987 823 | | |
| Transfers | 9 072 353 | 9 749 034 | 11 420 033 | 11 309 878 | 11 049 595 | 11 368 459 | 11 955 060 | | |
| Capital | 7 108 181 | 8 520 531 | 8 186 603 | 7 854 355 | 7 728 031 | 7 500 369 | 7 690 999 | | |
| Financial assets | 26 265 | 11 012 | 38 511 | 3 273 | 157 598 | 157 055 | 139 500 | | |
| Compensation | 45 616 539 | 49 323 014 | 54 093 872 | 58 461 868 | 62 371 719 | 66 352 006 | 70 324 676 | | |
| Non-compensation | 32 037 801 | 35 287 668 | 37 516 334 | 38 251 203 | 39 589 518 | 40 530 450 | 42 448 707 | | |
| Non-compensation (excl. transfers) | 22 965 448 | 25 538 634 | 26 096 301 | 26 941 325 | 28 539 923 | 29 161 991 | 30 493 647 | | |
| Non-compensation non-capital (NCNC) | 24 929 620 | 26 767 137 | 29 329 731 | 30 396 848 | 31 861 487 | 33 030 081 | 34 757 708 | | |
| NCNC (excl. transfers) | 15 857 267 | 17 018 103 | 17 909 699 | 19 086 970 | 20 811 892 | 21 661 622 | 22 802 648 | | |
| Total expenditure | 77 654 340 | 84 610 682 | 91 610 205 | 96 713 071 | 101 961 237 | 106 882 456 | 112 773 383 | | |
| % of total expenditure | | | | | | | | | |
| Current | 79.1 | 78.4 | 78.6 | 80.2 | 81.4 | 82.2 | 82.5 | | |
| Transfers | 11.7 | 11.5 | 12.5 | 11.7 | 10.8 | 10.6 | 10.6 | | |
| Capital | 9.2 | 10.1 | 8.9 | 8.1 | 7.6 | 7.0 | 6.8 | | |
| Financial assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 0.1 | 0.1 | | |
| Compensation | 58.7 | 58.3 | 59.0 | 60.4 | 61.2 | 62.1 | 62.4 | | |
| Non-compensation | 41.3 | 41.7 | 41.0 | 39.6 | 38.8 | 37.9 | 37.6 | | |
| Non-compensation (excl. transfers) | 29.6 | 30.2 | 28.5 | 27.9 | 28.0 | 27.3 | 27.0 | | |
| Non-compensation non-capital (NCNC) | 32.1 | 31.6 | 32.0 | 31.4 | 31.2 | 30.9 | 30.8 | | |
| NCNC (excl. transfers) | 20.4 | 20.1 | 19.5 | 19.7 | 20.4 | 20.3 | 20.2 | | |
| Nominal growth (%) | | | | | | | | | |
| Current | | 7.9 | 8.5 | 7.8 | 7.1 | 5.8 | 5.8 | 8.1 | 6.2 |
| Transfers | | 7.5 | 17.1 | (1.0) | (2.3) | 2.9 | 5.2 | 7.6 | 1.9 |
| Capital | | 19.9 | (3.9) | (4.1) | (1.6) | (2.9) | 2.5 | 3.4 | (0.7) |
| Financial assets | | (58.1) | 249.7 | (91.5) | 4 715.1 | (0.3) | (11.2) | (50.1) | 249.3 |
| Compensation | | 8.1 | 9.7 | 8.1 | 6.7 | 6.4 | 6.0 | 8.6 | 6.4 |
| Non-compensation | | 10.1 | 6.3 | 2.0 | 3.5 | 2.4 | 4.7 | 6.1 | 3.5 |
| Non-compensation (excl. transfers) | | 11.2 | 2.2 | 3.2 | 5.9 | 2.2 | 4.6 | 5.5 | 4.2 |
| Non-compensation non-capital (NCNC) | | 7.4 | 9.6 | 3.6 | 4.8 | 3.7 | 5.2 | 6.8 | 4.6 |
| NCNC (excl. transfers) | | 7.3 | 5.2 | 6.6 | 9.0 | 4.1 | 5.3 | 6.4 | 6.1 |
| Real growth (%) | | | | | | | | | |
| Current | | 4.0 | 2.6 | 2.0 | 1.6 | 0.4 | 0.5 | 2.9 | 0.8 |
| Transfers | | 3.5 | 10.8 | (6.2) | (7.3) | (2.4) | (0.1) | 2.5 | (3.3) |
| Capital | | 15.5 | (9.1) | (9.1) | (6.6) | (7.9) | (2.6) | (1.6) | (5.8) |
| Financial assets | | (59.6) | 230.9 | (92.0) | 4 468.4 | (5.5) | (15.6) | (52.4) | 231.5 |
| Compensation | | 4.2 | 3.8 | 2.3 | 1.2 | 0.9 | 0.7 | 3.4 | 0.9 |
| Non-compensation | | 6.1 | 0.6 | (3.4) | (1.8) | (2.9) | (0.5) | 1.0 | (1.7) |
| Non-compensation (excl. transfers) | | 7.1 | (3.3) | (2.2) | 0.5 | (3.1) | (0.7) | 0.4 | (1.1) |
| Non-compensation non-capital (NCNC) | | 3.4 | 3.7 | (1.9) | (0.6) | (1.6) | (0.1) | 1.7 | (0.8) |
| NCNC (excl. transfers) | | 3.4 | (0.4) | 0.9 | 3.5 | (1.2) | (0.0) | 1.3 | 0.7 |

Current expenditure is the largest, as a percentage of total expenditure, growing from 79.1 per cent in 2011/12 to 82.5 per cent in 2017/18. This category reflects average annual nominal (real) growth of

8.1 (2.9) per cent between 2011/12 and 2014/15 and declines to 6.2 (0.8) per cent between 2014/15 and 2017/18, attributable to the stable trend in *Compensation of employees* over the 2015/16 MTEF after some additional funding was provided for the 2014 wage agreement, for Education and Health.

The share of total expenditure for *Transfers* reflects a declining trend, from 11.7 per cent in 2011/12 to 10.6 per cent in 2017/18. This category reflects fluctuations in the annual nominal and real growth over the period, with high annual nominal (real) growth of 17.1 (10.8) per cent in 2013/14 due to the increase in the HSDG. The average nominal (real) growth decreases from 7.6 (2.5) per cent between 2011/12 and 2014/15 to 1.9 (-3.3) per cent between 2014/15 and 2017/18.

The expenditure trend for *Capital* reflects fluctuations, as does the share of total expenditure, with an increase to 10.1 per cent in 2012/13, before declining to 8.1 per cent in 2014/15 and further declining to 6.8 per cent in 2017/18. The decline in 2017/18 is attributable to the lower allocation of the infrastructure grants in line with the new process of bidding for infrastructure grant funding. This category reflects fluctuations in the annual nominal and real growth, with high annual nominal (real) growth of 19.9 (15.5) per cent in 2012/13 relating to the increase in infrastructure grants and also equitable share funding allocated mainly in respect of acceleration of Health infrastructure projects. This category, thereafter, reflects a declining trend with a negative annual nominal growth of 3.9 per cent in 2013/14 and a low annual nominal growth of 2.5 per cent in 2017/18, which is below inflation. The average annual nominal (real) growth decreases from 3.4 (-1.6) per cent between 2011/12 and 2014/15 to negative 0.7 (-5.8) per cent between 2014/15 and 2017/18.

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

The high average annual nominal (real) growth of 249.3 (231.5) per cent between 2014/15 and 2017/18 against *Financial assets* is due to the fact that several departments will be paying first charges in respect of unauthorised expenditure from the previous year, as per Section 34(2) of the PFMA.

Compensation's share of total expenditure shows an increase from 58.7 per cent in 2011/12 to 62.4 per cent in 2017/18. This category shows an average annual nominal (real) growth of 8.6 (3.4) per cent between 2011/12 and 2014/15 (resulting from additional funding for personnel spending pressures, especially under Education) declining to 6.4 (0.9) per cent between 2014/15 and 2017/18 (reflecting stable funding for personnel expenditure and lack of substantial additional funding over the 2015/16 MTEF resulting from the fiscal consolidation). *Non-compensation* shows a decline in the share of total expenditure from 41.3 per cent in 2011/12 to 37.6 per cent in 2017/18. This declining trend is indicative of the fact that *Compensation* continues to crowd out the allocation of resources toward service delivery spending. The lower allocations for the infrastructure grants in 2016/17, in line with the new bidding process, contribute to the low growth of 2.4 per cent in 2016/17. It must be noted that the province did not receive any additional funds for the above-budget 2014 wage agreement, and therefore used provincial cash resources to assist Education and Health due to the magnitude of the shortfalls. However, as previously mentioned, only 40 per cent of the shortfall was funded and these departments had to reprioritise from within their baselines to fund 60 per cent of the shortfall.

The share of total expenditure for *Non-compensation (excl. transfers)* reflects a fluctuating trend over the seven-year period, with an increase from 29.6 per cent in 2011/12 to 30.2 per cent in 2012/13, and decreasing to 28 per cent in 2015/16, before declining to 27 per cent in 2017/18.

The percentage share of *Non-compensation non-capital (NCNC)* decreases over the period from 32.1 per cent in 2011/12 to 30.8 per cent in 2017/18. The category *Non-compensation non-capital (excluding transfers)* reflects a fluctuating trend over the seven-year period.

5.3.2 Analysis of payments and estimates by economic classification – Education

Table 5.5 shows DOE's summary of payments and estimates by economic classification.

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

| | Audited Outcome | | | Adjusted Appropriation | Medium-term Estimates | | | Average Annual Growth | |
|-------------------------------------|-------------------|-------------------|-------------------|------------------------|-----------------------|-------------------|-------------------|-----------------------|-----------------|
| | 2011/12 | 2012/13 | 2013/14 | | 2015/16 | 2016/17 | 2017/18 | 2011/12-2014/15 | 2014/15-2017/18 |
| R thousand | | | | | | | | | |
| Current | 29 342 252 | 30 423 139 | 33 110 544 | 35 518 259 | 37 863 749 | 40 237 604 | 42 551 911 | | |
| Transfers | 1 347 411 | 1 553 435 | 1 666 384 | 1 793 404 | 1 899 212 | 1 837 774 | 1 928 252 | | |
| Capital | 2 120 040 | 2 580 157 | 2 379 114 | 1 754 440 | 2 347 502 | 2 102 821 | 1 976 010 | | |
| Financial assets | - | - | - | - | 31 892 | 31 892 | 31 893 | | |
| Compensation | 26 207 123 | 27 557 742 | 29 930 297 | 32 243 560 | 34 372 360 | 36 678 394 | 38 979 772 | | |
| Non-compensation | 6 602 580 | 6 998 989 | 7 225 745 | 6 822 543 | 7 769 995 | 7 531 697 | 7 508 294 | | |
| Non-compensation (excl. transfers) | 5 255 169 | 5 445 554 | 5 559 361 | 5 029 139 | 5 870 783 | 5 693 922 | 5 580 043 | | |
| Non-compensation non-capital (NCNC) | 4 482 540 | 4 418 832 | 4 846 631 | 5 068 103 | 5 422 493 | 5 428 876 | 5 532 284 | | |
| NCNC (excl. transfers) | 3 135 129 | 2 865 397 | 3 180 247 | 3 274 699 | 3 523 281 | 3 591 102 | 3 604 033 | | |
| Total expenditure | 32 809 703 | 34 556 731 | 37 156 042 | 39 066 103 | 42 142 355 | 44 210 091 | 46 488 066 | | |
| % of total expenditure | | | | | | | | | |
| Current | 89.4 | 88.0 | 89.1 | 90.9 | 89.8 | 91.0 | 91.5 | | |
| Transfers | 4.1 | 4.5 | 4.5 | 4.6 | 4.5 | 4.2 | 4.1 | | |
| Capital | 6.5 | 7.5 | 6.4 | 4.5 | 5.6 | 4.8 | 4.3 | | |
| Financial assets | - | - | - | - | 0.1 | 0.1 | 0.1 | | |
| Compensation | 79.9 | 79.7 | 80.6 | 82.5 | 81.6 | 83.0 | 83.8 | | |
| Non-compensation | 20.1 | 20.3 | 19.4 | 17.5 | 18.4 | 17.0 | 16.2 | | |
| Non-compensation (excl. transfers) | 16.0 | 15.8 | 15.0 | 12.9 | 13.9 | 12.9 | 12.0 | | |
| Non-compensation non-capital (NCNC) | 13.7 | 12.8 | 13.0 | 13.0 | 12.9 | 12.3 | 11.9 | | |
| NCNC (excl. transfers) | 9.6 | 8.3 | 8.6 | 8.4 | 8.4 | 8.1 | 7.8 | | |
| Nominal growth (%) | | | | | | | | | |
| Current | | 3.7 | 8.8 | 7.3 | 6.6 | 6.3 | 5.8 | 6.6 | 6.2 |
| Transfers | | 15.3 | 7.3 | 7.6 | 5.9 | (3.2) | 4.9 | 10.0 | 2.4 |
| Capital | | 21.7 | (7.8) | (26.3) | 33.8 | (10.4) | (6.0) | (6.1) | 4.0 |
| Financial assets | | - | - | - | - | - | 0.0 | - | - |
| Compensation | | 5.2 | 8.6 | 7.7 | 6.6 | 6.7 | 6.3 | 7.2 | 6.5 |
| Non-compensation | | 6.0 | 3.2 | (5.6) | 13.9 | (3.1) | (0.3) | 1.1 | 3.2 |
| Non-compensation (excl. transfers) | | 3.6 | 2.1 | (9.5) | 16.7 | (3.0) | (2.0) | (1.5) | 3.5 |
| Non-compensation non-capital (NCNC) | | (1.4) | 9.7 | 4.6 | 7.0 | 0.1 | 1.9 | 4.2 | 3.0 |
| NCNC (excl. transfers) | | (8.6) | 11.0 | 3.0 | 7.6 | 1.9 | 0.4 | 1.5 | 3.2 |
| Real growth (%) | | | | | | | | | |
| Current | | (0.1) | 3.0 | 1.6 | 1.1 | 0.8 | 0.4 | 1.5 | 0.8 |
| Transfers | | 11.1 | 1.5 | 1.9 | 0.5 | (8.2) | (0.4) | 4.7 | (2.8) |
| Capital | | 17.2 | (12.8) | (30.2) | 26.9 | (15.0) | (10.8) | (10.6) | (1.3) |
| Financial assets | | (3.7) | (5.4) | (5.3) | (5.1) | (5.1) | (5.0) | - | - |
| Compensation | | 1.3 | 2.8 | 2.0 | 1.1 | 1.2 | 0.9 | 2.0 | 1.1 |
| Non-compensation | | 2.1 | (2.3) | (10.6) | 8.1 | (8.0) | (5.3) | (3.7) | (2.0) |
| Non-compensation (excl. transfers) | | (0.2) | (3.4) | (14.3) | 10.8 | (8.0) | (6.9) | (6.2) | (1.7) |
| Non-compensation non-capital (NCNC) | | (5.0) | 3.8 | (1.0) | 1.5 | (5.0) | (3.2) | (0.8) | (2.3) |
| NCNC (excl. transfers) | | (11.9) | 5.0 | (2.5) | 2.1 | (3.3) | (4.7) | (3.4) | (2.0) |

In the main, more than 89 per cent of DOE's budget is allocated under *Current*. The share of total expenditure for *Current* declined in 2012/13 to 88 per cent, as a result of financial controls effected against *Goods and services*. *Current* reflects minimal real growth of 0.8 per cent over the period 2014/15 to 2017/18, largely ascribed to the baseline cuts that were effected against the department over previous MTEFs, with carry-through. The department has focused on correcting the *Compensation of employees* baseline and has achieved real growth against this category, but has had to cut back on *Buildings and other fixed structures* to achieve this.

The share of total expenditure under *Transfers* remains fairly constant at around 4.1 to 4.6 per cent between 2011/12 and 2017/18, mainly due to the reduction relating to *Transfers and subsidies to: Non-profit institutions* allocations, which was due to the reprioritisation exercise undertaken to increase *Compensation of employees* to provide for the increased stipends payable to ECD practitioners, carry-through of various unfunded wage agreements, among others. *Transfers* shows negative real growth of 2.8 per cent from 2014/15 to 2017/18, which is mainly attributed to the anticipated revocation of S21 functions from schools that continue to not comply with the transfer requirements and those schools who opt to purchase LTSM *via* the agent employed by the department.

Capital as a share of total expenditure fluctuates between 2011/12 to 2014/15 and declines over the MTEF. In the 2014/15 Adjustments Estimate process, the department implemented enforced savings and reprioritisation of funds from *Buildings and other fixed structures* against the equitable share portion, in order to ease pressures against *Compensation of employees*. This reduction was carried through over the 2015/16 MTEF, and also contributed to the lower trends. Though the allocation for the Education Infrastructure grant was provided over the MTEF, the department reprioritised funds to *Compensation of employees* from the equitable share of this category explaining the lower allocation over the MTEF.

The amount against *Financial assets* over the MTEF are largely the installments of the first charge in terms of S34(2) of the PFMA.

Compensation comprises the highest proportion of DOE's budget. The share of total expenditure reflects an increasing trend from 79.9 per cent in 2011/12 to 83.8 per cent in 2017/18. The increase in the share of total expenditure in 2014/15 reflects how personnel is crowding out other spending areas, while infrastructure is compromised. The 2015/16 MTEF allocations include carry-through of previous wage agreements, however, the real growth percentage share is minimal at 1.1 per cent from 2014/15 to 2017/18. This growth does not make provision for the filling of new posts.

Non-compensation's share of total expenditure reflects a decline from 20.1 per cent in 2011/12 to 16.2 per cent in 2017/18. The decrease in the share of total expenditure is an indication that other spending categories are increasing at a faster rate. *Non-compensation* shows negative real growth of 2 per cent from 2014/15 to 2017/18, which is ascribed to the reduction in *Capital* relating to the reprioritisation to *Compensation of employees*, as explained earlier.

Non-compensation (excluding transfers) fluctuates over the seven years. The share of total expenditure declines from 16 per cent in 2011/12 to 12 per cent in 2017/18 and reflects negative real growth of 1.7 per cent between 2014/15 and 2017/18. This is attributed to a reduction of funds, with carry-through to cater for the shortfall in *Compensation of employees*.

NCNC which includes *Goods and services* and *Transfers and subsidies* reflects negative real growth of 2.3 per cent, and the share of total expenditure declines from 13.7 per cent to 11.9 per cent between 2011/12 and 2017/18. This decline is a result of anticipated revocation of S21 functions from schools that continue to not comply with the transfer requirements.

5.3.3 Analysis of payments and estimates by economic classification – Health

Table 5.6 below shows DOH's expenditure by economic classification. As was the case in previous years, the largest share of total expenditure is in respect of *Current* payments, where the percentage increases from 90.3 per cent in 2011/12 to 91.1 per cent in 2013/14. The share climbs to 93.7 per cent in 2017/18. The growing share is largely because the department has reduced funding for *Capital* due to the budget cuts resulting from the 2011 Census, as well as reprioritising funding away from *Capital* payments to *Maintenance and repair: Current*, thus boosting the share of *Current* payments to over 93 per cent. Furthermore, the Health Facility Revitalisation grant funding decreases in 2016/17 and 2017/18 due to the reforms that were made to the provincial infrastructure grant system that are intended to institutionalise proper planning for infrastructure. This is discussed in more detail in the Vote 7 chapter in Part 2 of the *EPRE*. In addition, the carry-through costs of the various higher than anticipated wage agreements impact on the share of *Current* payments in the outer years of the MTEF. The major share of *Current* payments is *Compensation of employees* which, although showing an erratic trend similar to *Current* payments, reflects a fairly stable level of just over 64 per cent over the 2015/16 MTEF.

Compensation shows a negative trend from 2014/15 to 2017/18, with an average annual real growth of negative 0.1 per cent. This means that the department has no room for additional appointments to grow services at this stage, largely due to the cuts in budget from the 2011 Census, as well as the fiscal consolidation announced by the national Minister of Finance in his 2014 MTBPS speech. This included no funding from national for the higher than budget 2014 wage agreement, of which only approximately 40 per cent has been funded from the provincial fiscus.

Although the share of *Transfers* fluctuates from 2011/12 to 2014/15, largely due to delays with regard to transfers to municipal clinics caused by problems in finalising SLAs with municipalities, the share stabilises at around 2 per cent over the 2015/16 MTEF. This is mainly a result of municipal clinics and other institutions being transferred to the department, resulting in these costs now being catered for under *Current*, rather than as a subsidy transfer. The peak in 2013/14 and, to a lesser degree in 2014/15, is largely due to higher than expected medico-legal claims and an increase in the number of students in the Cuban Doctors' programme. The legal costs are once-off, hence the decrease in share over the MTEF.

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

| | Audited Outcome | | | Adjusted Appropriation | Medium-term Estimates | | | Average Annual Growth | |
|-------------------------------------|-------------------|-------------------|-------------------|------------------------|-----------------------|-------------------|-------------------|-----------------------|-----------------|
| | 2011/12 | 2012/13 | 2013/14 | | 2015/16 | 2016/17 | 2017/18 | 2011/12-2014/15 | 2014/15-2017/18 |
| R thousand | | | | | | | | | |
| Current | 22 374 653 | 24 746 845 | 26 890 291 | 28 780 978 | 30 780 575 | 32 579 143 | 34 548 177 | | |
| Transfers | 515 845 | 486 764 | 740 159 | 694 193 | 648 156 | 681 322 | 711 308 | | |
| Capital | 1 900 011 | 2 156 923 | 1 867 332 | 1 644 294 | 1 445 448 | 1 373 593 | 1 506 456 | | |
| Financial assets | 609 | 1 | 33 629 | - | 107 607 | 107 607 | 107 607 | | |
| Compensation | 15 118 307 | 16 886 345 | 18 676 776 | 20 211 032 | 21 138 481 | 22 383 173 | 23 592 758 | | |
| Non-compensation | 9 672 811 | 10 504 188 | 10 854 635 | 10 908 433 | 11 843 305 | 12 358 492 | 13 280 790 | | |
| Non-compensation (excl. transfers) | 9 156 966 | 10 017 424 | 10 114 476 | 10 214 240 | 11 195 149 | 11 677 170 | 12 569 482 | | |
| Non-compensation non-capital (NCNC) | 7 772 800 | 8 347 264 | 8 987 303 | 9 264 139 | 10 397 857 | 10 984 899 | 11 774 334 | | |
| NCNC (excl. transfers) | 7 256 955 | 7 860 501 | 8 247 145 | 8 569 946 | 9 749 701 | 10 303 577 | 11 063 026 | | |
| Total expenditure | 24 791 118 | 27 390 533 | 29 531 410 | 31 119 465 | 32 981 786 | 34 741 665 | 36 873 548 | | |
| % of total expenditure | | | | | | | | | |
| Current | 90.3 | 90.3 | 91.1 | 92.5 | 93.3 | 93.8 | 93.7 | | |
| Transfers | 2.1 | 1.8 | 2.5 | 2.2 | 2.0 | 2.0 | 1.9 | | |
| Capital | 7.7 | 7.9 | 6.3 | 5.3 | 4.4 | 4.0 | 4.1 | | |
| Financial assets | 0.0 | 0.0 | 0.1 | - | 0.3 | 0.3 | 0.3 | | |
| Compensation | 61.0 | 61.7 | 63.2 | 64.9 | 64.1 | 64.4 | 64.0 | | |
| Non-compensation | 39.0 | 38.3 | 36.8 | 35.1 | 35.9 | 35.6 | 36.0 | | |
| Non-compensation (excl. transfers) | 36.9 | 36.6 | 34.2 | 32.8 | 33.9 | 33.6 | 34.1 | | |
| Non-compensation non-capital (NCNC) | 31.4 | 30.5 | 30.4 | 29.8 | 31.5 | 31.6 | 31.9 | | |
| NCNC (excl. transfers) | 29.3 | 28.7 | 27.9 | 27.5 | 29.6 | 29.7 | 30.0 | | |
| Nominal growth (%) | | | | | | | | | |
| Current | | 10.6 | 8.7 | 7.0 | 6.9 | 5.8 | 6.0 | 8.8 | 6.3 |
| Transfers | | (5.6) | 52.1 | (6.2) | (6.6) | 5.1 | 4.4 | 10.4 | 0.8 |
| Capital | | 13.5 | (13.4) | (11.9) | (12.1) | (5.0) | 9.7 | (4.7) | (2.9) |
| Financial assets | | (99.8) | 3 362 800.0 | (100.0) | - | - | - | (100.0) | - |
| Compensation | | 11.7 | 10.6 | 8.2 | 4.6 | 5.9 | 5.4 | 10.2 | 5.3 |
| Non-compensation | | 8.6 | 3.3 | 0.5 | 8.6 | 4.4 | 7.5 | 4.1 | 6.8 |
| Non-compensation (excl. transfers) | | 9.4 | 1.0 | 1.0 | 9.6 | 4.3 | 7.6 | 3.7 | 7.2 |
| Non-compensation non-capital (NCNC) | | 7.4 | 7.7 | 3.1 | 12.2 | 5.6 | 7.2 | 6.0 | 8.3 |
| NCNC (excl. transfers) | | 8.3 | 4.9 | 3.9 | 13.8 | 5.7 | 7.4 | 5.7 | 8.9 |
| Real growth (%) | | | | | | | | | |
| Current | | 6.6 | 2.8 | 1.4 | 1.5 | 0.4 | 0.7 | 3.5 | 0.9 |
| Transfers | | (9.1) | 43.9 | (11.2) | (11.4) | (0.3) | (0.9) | 5.1 | (4.3) |
| Capital | | 9.4 | (18.1) | (16.6) | (16.6) | (9.8) | 4.2 | (9.3) | (7.8) |
| Financial assets | | (99.8) | 3 181 451.6 | (100.0) | (5.1) | (5.1) | (5.0) | (100.0) | - |
| Compensation | | 7.6 | 4.6 | 2.5 | (0.8) | 0.5 | 0.1 | 4.9 | (0.1) |
| Non-compensation | | 4.6 | (2.2) | (4.8) | 3.0 | (1.0) | 2.1 | (0.9) | 1.3 |
| Non-compensation (excl. transfers) | | 5.4 | (4.5) | (4.4) | 4.0 | (1.0) | 2.2 | (1.3) | 1.7 |
| Non-compensation non-capital (NCNC) | | 3.5 | 1.9 | (2.4) | 6.5 | 0.2 | 1.8 | 0.9 | 2.8 |
| NCNC (excl. transfers) | | 4.4 | (0.7) | (1.6) | 7.9 | 0.3 | 2.0 | 0.6 | 3.3 |

The share of total expenditure on *Capital* decreases over the seven-year period, largely as per the reasons discussed under *Current* payments above. The negative real average annual growth in *Capital* from 2014/15 to 2017/18 is attributable to the previously mentioned baseline cuts, reprioritisation to *Current* payments (*Maintenance and repair: Current*), as well as the reforms that were made to the provincial infrastructure grant system.

The negative growth rates for *Transfers* from 2014/15 to 2017/18 relate to the previously mentioned once-off costs for legal claims in 2014/15, as well as only eThekweni Metro clinics remaining as transfers from the department.

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

Table 5.7 below shows DSD's expenditure by economic classification.

As a share of total expenditure, *Current* increases from 53.4 per cent in 2011/12 to 63.2 per cent in 2017/18. This category shows real average annual growth of 8.5 per cent between 2011/12 and 2014/15, decreasing to 0.9 per cent between 2014/15 and 2017/18. The high percentage growth between 2011/12 and 2014/15 is largely due to additional funding for the absorption of social work graduates, support to the NGO sector, and provision of shelters for victims of gender-based violence. The slight decrease in the share of *Current* payments to total budget from 63.4 per cent in 2015/16 to 63.2 per cent in 2017/18 relates to growth in *Transfers* mainly due to additional funding for support to the NGO sector, absorption of social work graduates, as well as provision of shelters for victims of gender-based violence, etc. *Transfers* reflect a negative real average annual growth of 2.2 per cent from 2011/12 to 2014/15 due to the removal of the portion of funds for gender-based violence to *Compensation of employees* for payment

of stipends to community care-givers (CCGs). Also, *Capital* reflects negative average annual real growth of 5 per cent from 2011/12 to 2014/15 due to the removal of additional funding for existing infrastructure development, which ended in 2013/14 in line with project requirements, accounting for the negative average annual real growth of 1 per cent from 2014/15 to 2017/18.

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

| | Audited Outcome | | | Adjusted Appropriation | Medium-term Estimates | | | Average Annual Growth | |
|-------------------------------------|------------------|------------------|------------------|------------------------|-----------------------|------------------|------------------|-----------------------|-----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2011/12-2014/15 | 2014/15-2017/18 |
| R thousand | | | | | | | | | |
| Current | 1 033 142 | 1 200 137 | 1 371 129 | 1 529 301 | 1 668 481 | 1 748 116 | 1 835 519 | | |
| Transfers | 732 326 | 591 367 | 753 308 | 793 841 | 780 616 | 838 121 | 881 409 | | |
| Capital | 167 912 | 190 439 | 205 469 | 166 618 | 174 404 | 174 344 | 189 010 | | |
| Financial assets | 877 | 3 443 | - | - | 6 980 | 6 979 | - | | |
| Compensation | 692 531 | 848 598 | 1 015 767 | 1 152 521 | 1 282 962 | 1 343 338 | 1 410 504 | | |
| Non-compensation | 1 241 726 | 1 136 787 | 1 314 139 | 1 337 239 | 1 347 519 | 1 424 222 | 1 495 434 | | |
| Non-compensation (excl. transfers) | 509 400 | 545 420 | 560 831 | 543 398 | 566 903 | 586 101 | 614 025 | | |
| Non-compensation non-capital (NCNC) | 1 240 849 | 1 133 344 | 1 314 139 | 1 337 239 | 1 340 539 | 1 417 243 | 1 495 434 | | |
| NCNC (excl. transfers) | 508 523 | 541 977 | 560 831 | 543 398 | 559 923 | 579 122 | 614 025 | | |
| Total expenditure | 1 934 257 | 1 985 386 | 2 329 906 | 2 489 760 | 2 630 481 | 2 767 560 | 2 905 938 | | |
| % of total expenditure | | | | | | | | | |
| Current | 53.4 | 60.4 | 58.8 | 61.4 | 63.4 | 63.2 | 63.2 | | |
| Transfers | 37.9 | 29.8 | 32.3 | 31.9 | 29.7 | 30.3 | 30.3 | | |
| Capital | 8.7 | 9.6 | 8.8 | 6.7 | 6.6 | 6.3 | 6.5 | | |
| Financial assets | 0.0 | 0.2 | - | - | 0.3 | 0.3 | - | | |
| Compensation | 35.8 | 42.7 | 43.6 | 46.3 | 48.8 | 48.5 | 48.5 | | |
| Non-compensation | 64.2 | 57.3 | 56.4 | 53.7 | 51.2 | 51.5 | 51.5 | | |
| Non-compensation (excl. transfers) | 26.3 | 27.5 | 24.1 | 21.8 | 21.6 | 21.2 | 21.1 | | |
| Non-compensation non-capital (NCNC) | 64.2 | 57.1 | 56.4 | 53.7 | 51.0 | 51.2 | 51.5 | | |
| NCNC (excl. transfers) | 26.3 | 27.3 | 24.1 | 21.8 | 21.3 | 20.9 | 21.1 | | |
| Nominal growth (%) | | | | | | | | | |
| Current | | 16.2 | 14.2 | 11.5 | 9.1 | 4.8 | 5.0 | 14.0 | 6.3 |
| Transfers | | (19.2) | 27.4 | 5.4 | (1.7) | 7.4 | 5.2 | 2.7 | 3.5 |
| Capital | | 13.4 | 7.9 | (18.9) | 4.7 | (0.0) | 8.4 | (0.3) | 4.3 |
| Financial assets | | 292.6 | (100.0) | - | - | (0.0) | (100.0) | (100.0) | - |
| Compensation | | 22.5 | 19.7 | 13.5 | 11.3 | 4.7 | 5.0 | 18.5 | 7.0 |
| Non-compensation | | (8.5) | 15.6 | 1.8 | 0.8 | 5.7 | 5.0 | 2.5 | 3.8 |
| Non-compensation (excl. transfers) | | 7.1 | 2.8 | (3.1) | 4.3 | 3.4 | 4.8 | 2.2 | 4.2 |
| Non-compensation non-capital (NCNC) | | (8.7) | 16.0 | 1.8 | 0.2 | 5.7 | 5.5 | 2.5 | 3.8 |
| NCNC (excl. transfers) | | 6.6 | 3.5 | (3.1) | 3.0 | 3.4 | 6.0 | 2.2 | 4.2 |
| Real growth (%) | | | | | | | | | |
| Current | | 11.9 | 8.1 | 5.6 | 3.5 | (0.6) | (0.3) | 8.5 | 0.9 |
| Transfers | | (22.2) | 20.5 | (0.2) | (6.7) | 1.9 | (0.1) | (2.2) | (1.7) |
| Capital | | 9.3 | 2.1 | (23.2) | (0.7) | (5.2) | 3.0 | (5.0) | (1.0) |
| Financial assets | | 278.2 | (100.0) | (5.3) | (5.1) | (5.1) | (100.0) | (100.0) | - |
| Compensation | | 18.0 | 13.2 | 7.4 | 5.6 | (0.7) | (0.3) | 12.8 | 1.5 |
| Non-compensation | | (11.8) | 9.4 | (3.6) | (4.4) | 0.3 | (0.3) | (2.4) | (1.5) |
| Non-compensation (excl. transfers) | | 3.2 | (2.7) | (8.2) | (1.0) | (1.9) | (0.5) | (2.7) | (1.1) |
| Non-compensation non-capital (NCNC) | | (12.0) | 9.7 | (3.6) | (4.9) | 0.3 | 0.2 | (2.4) | (1.5) |
| NCNC (excl. transfers) | | 2.7 | (2.1) | (8.2) | (2.2) | (1.9) | 0.7 | (2.7) | (1.1) |

The share of total expenditure on *Transfers* decreases from 37.9 per cent in 2011/12 to 29.8 per cent in 2012/13, and increases to 32.3 per cent in 2013/14 dropping to 30.3 per cent in 2017/18. The reason for the fluctuating trend is the strict application of Section 38(1)(j) of the PFMA, which largely affected Early Childhood Development (ECD) and partial care. The downward trend from 2015/16 to 2017/18 is ascribed to the previously mentioned shifting of funds to *Compensation of employees*. *Transfers* experiences negative real average annual growth of 2.2 per cent from 2011/12 to 2014/15 and negative growth of 1.7 per cent from 2014/15 to 2017/18.

Capital spending as a percentage of total expenditure decreased from 8.7 per cent in 2011/12 to 6.5 per cent in 2017/18, due to the removal of the additional funding for existing infrastructure development, as well as the portion of the *Isibindi* model which was erroneously allocated against this category. The category shows an increase in 2013/14 due to the payment of carry-through invoices from 2011/12 for infrastructure projects. The average annual real growth reflects negative growth of 5 per cent from 2011/12 to 2014/15, due to reasons mentioned.

Compensation of employees shows a positive trend from 2014/15 to 2017/18, with an average annual real growth of 1.5 per cent. Although additional funding was received regarding the absorption of social work graduates, it was insufficient for all the carry-through costs. The growth will allow the department to negate the spending pressures it experienced against this category in 2014/15.

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

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

Table 5.8 : Analysis of expenditure summary by classification - Other

| | Audited Outcome | | | Adjusted Appropriation | Medium-term Estimates | | | Average Annual Growth | |
|-------------------------------------|-------------------|-------------------|-------------------|------------------------|-----------------------|-------------------|-------------------|-----------------------|-----------------|
| | 2011/12 | 2012/13 | 2013/14 | | 2015/16 | 2016/17 | 2017/18 | 2011/12-2014/15 | 2014/15-2017/18 |
| R thousand | | | | | | | | | |
| Current | 8 697 494 | 9 959 985 | 10 593 095 | 11 717 027 | 12 713 208 | 13 291 710 | 14 052 216 | | |
| Transfers | 6 476 771 | 7 117 468 | 8 260 182 | 8 028 440 | 7 721 611 | 8 011 242 | 8 434 091 | | |
| Capital | 2 920 218 | 3 593 012 | 3 734 688 | 4 289 003 | 3 760 677 | 3 849 611 | 4 019 523 | | |
| Financial assets | 24 779 | 7 568 | 4 882 | 3 273 | 11 119 | 10 577 | - | | |
| Compensation | 3 598 578 | 4 030 329 | 4 471 032 | 4 854 755 | 5 577 916 | 5 947 101 | 6 341 642 | | |
| Non-compensation | 14 520 684 | 16 647 704 | 18 121 815 | 19 182 988 | 18 628 699 | 19 216 039 | 20 164 189 | | |
| Non-compensation (excl. transfers) | 8 043 913 | 9 530 236 | 9 861 633 | 11 154 548 | 10 907 088 | 11 204 798 | 11 730 097 | | |
| Non-compensation non-capital (NCNC) | 14 495 905 | 16 640 136 | 18 116 933 | 19 179 715 | 18 617 580 | 19 205 462 | 20 164 189 | | |
| NCNC (excl. transfers) | 8 019 134 | 9 522 668 | 9 856 751 | 11 151 275 | 10 895 969 | 11 194 221 | 11 730 097 | | |
| Total expenditure | 18 119 262 | 20 678 033 | 22 592 847 | 24 037 743 | 24 206 615 | 25 163 140 | 26 505 831 | | |
| % of total expenditure | | | | | | | | | |
| Current | 48.0 | 48.2 | 46.9 | 48.7 | 52.5 | 52.8 | 53.0 | | |
| Transfers | 35.7 | 34.4 | 36.6 | 33.4 | 31.9 | 31.8 | 31.8 | | |
| Capital | 16.1 | 17.4 | 16.5 | 17.8 | 15.5 | 15.3 | 15.2 | | |
| Financial assets | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | | |
| Compensation | 19.9 | 19.5 | 19.8 | 20.2 | 23.0 | 23.6 | 23.9 | | |
| Non-compensation | 80.1 | 80.5 | 80.2 | 79.8 | 77.0 | 76.4 | 76.1 | | |
| Non-compensation (excl. transfers) | 44.4 | 46.1 | 43.6 | 46.4 | 45.1 | 44.5 | 44.3 | | |
| Non-compensation non-capital (NCNC) | 80.0 | 80.5 | 80.2 | 79.8 | 76.9 | 76.3 | 76.1 | | |
| NCNC (excl. transfers) | 44.3 | 46.1 | 43.6 | 46.4 | 45.0 | 44.5 | 44.3 | | |
| Nominal growth (%) | | | | | | | | | |
| Current | | 14.5 | 6.4 | 10.6 | 8.5 | 4.6 | 5.7 | 10.4 | 6.2 |
| Transfers | | 9.9 | 16.1 | (2.8) | (3.8) | 3.8 | 5.3 | 7.4 | 1.7 |
| Capital | | 23.0 | 3.9 | 14.8 | (12.3) | 2.4 | 4.4 | 13.7 | (2.1) |
| Financial assets | | (69.5) | (35.5) | (33.0) | 239.7 | (4.9) | (100.0) | (49.1) | (100.0) |
| Compensation | | 12.0 | 10.9 | 8.6 | 14.9 | 6.6 | 6.6 | 10.5 | 9.3 |
| Non-compensation | | 14.6 | 8.9 | 5.9 | (2.9) | 3.2 | 4.9 | 9.7 | 1.7 |
| Non-compensation (excl. transfers) | | 18.5 | 3.5 | 13.1 | (2.2) | 2.7 | 4.7 | 11.5 | 1.7 |
| Non-compensation non-capital (NCNC) | | 14.8 | 8.9 | 5.9 | (2.9) | 3.2 | 5.0 | 9.8 | 1.7 |
| NCNC (excl. transfers) | | 18.7 | 3.5 | 13.1 | (2.3) | 2.7 | 4.8 | 11.6 | 1.7 |
| Real growth (%) | | | | | | | | | |
| Current | | 10.3 | 0.6 | 4.7 | 2.9 | (0.8) | 0.4 | 5.2 | 0.8 |
| Transfers | | 5.9 | 9.8 | (8.0) | (8.7) | (1.6) | (0.0) | 2.3 | (3.5) |
| Capital | | 18.5 | (1.7) | 8.8 | (16.8) | (2.9) | (0.8) | 8.2 | (7.1) |
| Financial assets | | (70.6) | (39.0) | (36.5) | 222.3 | (9.7) | (100.0) | (51.5) | (100.0) |
| Compensation | | 7.9 | 5.0 | 2.8 | 9.0 | 1.2 | 1.3 | 5.2 | 3.7 |
| Non-compensation | | 10.5 | 3.0 | 0.2 | (7.9) | (2.1) | (0.3) | 4.5 | (3.5) |
| Non-compensation (excl. transfers) | | 14.1 | (2.1) | 7.1 | (7.2) | (2.5) | (0.6) | 6.2 | (3.5) |
| Non-compensation non-capital (NCNC) | | 10.6 | 3.0 | 0.3 | (7.9) | (2.1) | (0.3) | 4.5 | (3.5) |
| NCNC (excl. transfers) | | 14.4 | (2.1) | 7.1 | (7.3) | (2.5) | (0.5) | 6.3 | (3.5) |

The share of *Current* payments to total budget is set to increase from 48 per cent in 2011/12, to 53 per cent in 2017/18. The decrease in growth from 2012/13 to 2013/14 can be attributed to the continuation of cost-cutting which reduced spending related to *Goods and services*. The minimal growth over the 2015/16 MTEF is linked to the moratorium on the filling of non-critical posts, as well as financial controls being implemented against *Goods and services*. Also contributing to this low growth is the fact that the Strategic Cabinet Initiatives fund falls away from 2015/16 onward, due to fiscal consolidation. This also explains the average annual real growth rate of 0.8 per cent against this category.

Transfers is expected to decrease from 35.7 per cent in 2011/12 to 31.8 per cent in 2017/18, largely due to the reduction in transfers to public entities such as DTPC and KZN Liquor Authority (KZNLA) under DEDTEA. Over the MTEF, the KZNLA receives lower amounts for its operational costs compared to 2014/15 as that year included significant once-off additional funding. This lower amount is linked to the liquor licence revenue collected by the entity which is allocated back to it to fund its operational costs. The transfers to DTPC were reduced to fund other projects/events, such as World Routes 2015 and the implementation of Industrial Economic Hubs. This accounts for the negative real growth of 3.5 per cent from 2014/15 to 2017/18, with the share of total expenditure decreasing from 33.4 per cent in 2014/15 to 31.8 per cent in 2017/18.

Capital payments reflect negative average annual real growth of 7.1 per cent from 2014/15 to 2017/18, with the share of total expenditure declining from 16.1 per cent in 2011/12 to 15.2 per cent in 2017/18,

mainly due to the increase in 2015/16 under DAC which includes the EPWP Integrated Grant for Provinces, the construction of new art centres in Howick and Clermont, and also provides for the construction of the Arts and Culture Academy, and the completion of renovations to RS Skinner campsite and Ladysmith art centre. Furthermore, the department will continue with the construction of libraries such as Imbali, Charlestown, Bilanyoni, Bruntville and Ingwavuma. The bulk of the 2015/16 MTEF allocations under OTP are for the construction of a new Training Academy, with construction anticipated to commence in 2015/16, the completion of existing projects such as the Ingwavuma palace project relating to the Royal Household, as well as renovations to administration buildings. The department reprioritised funds for the Ingwavuma palace project from within its baseline.

The erratic trend against *Financial assets* was due to the implementation of the first charge against some departments' votes, in line with Section 34(2) of the PFMA. The category also provides for various losses that were written off.

5.4 Payments and estimates by functional area

Table 5.9 shows the summary of payments and estimates by policy area, details of which are shown in Table 1.F(a) and (b) of the *Annexure to OPRE*.

There is noticeable growth in the payments and estimates relating to the policy areas in KZN over the seven-year period. The level of provincial spending and budget reflects healthy growth from 2011/12 to 2017/18, despite the Census-based baseline cuts which commenced in the 2013/14 MTEF, and the National Treasury fiscal consolidation cuts on the equitable share and conditional grant allocations of provinces for 2015/16 and 2016/17.

Table 5.9 : Summary of payments and estimates by functional area

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------------------|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|--------------------|--------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| General Public Services | 3 849 266 | 4 440 876 | 4 637 463 | 5 005 829 | 5 121 370 | 5 082 661 | 5 060 856 | 5 235 909 | 5 467 525 |
| Public Order and Safety | 145 239 | 135 892 | 171 922 | 181 295 | 179 692 | 179 692 | 187 069 | 198 470 | 200 285 |
| Economic Affairs | 9 627 936 | 10 985 088 | 12 151 587 | 12 875 622 | 12 896 576 | 12 895 577 | 13 170 368 | 13 675 159 | 14 399 416 |
| Environmental Protection | 718 412 | 814 595 | 823 604 | 937 029 | 934 535 | 934 535 | 923 847 | 973 673 | 1 022 355 |
| Housing and Community Amenities | 3 042 495 | 3 377 771 | 3 617 002 | 3 600 282 | 3 622 443 | 3 622 443 | 3 584 685 | 3 776 080 | 4 011 284 |
| Health | 23 915 072 | 26 468 226 | 28 515 048 | 29 843 298 | 30 048 600 | 29 852 158 | 31 908 347 | 33 587 095 | 35 660 749 |
| Recreation, Culture and Religion | 691 423 | 862 212 | 1 128 224 | 1 181 183 | 1 205 301 | 1 205 301 | 1 258 155 | 1 278 849 | 1 377 615 |
| Education | 33 745 380 | 35 554 307 | 38 248 902 | 40 082 894 | 40 230 872 | 40 248 898 | 43 254 247 | 45 407 158 | 47 746 587 |
| Social Protection | 1 919 117 | 1 971 715 | 2 316 453 | 2 481 874 | 2 473 682 | 2 477 431 | 2 613 663 | 2 750 063 | 2 887 567 |
| Total | 77 654 340 | 84 610 682 | 91 610 205 | 96 189 306 | 96 713 071 | 96 498 696 | 101 961 237 | 106 882 456 | 112 773 383 |

As reflected in Table 5.9, the highest expenditure is on *Education*, and is anticipated to grow from R43.254 billion in 2015/16 to R47.747 billion in 2017/18. The growth is an indication of the province's commitment to the development of human capability and is ascribed to the increase in various national priorities, such as the increase in the number of teachers in quintile 1 schools, the increase in the number of Grade R teachers in order to reach the target for the universalisation of Grade R, the increase in LTSM, the expansion of no fee schools, the reduction of the L:E ratio, etc. The growth is also attributed to the increase in funding to the department to deal with personnel spending pressures, re-grading of clerical staff, re-grading of posts for security guards from level 1, 2 to 3 as per DPSA PSCBC Resolution 3 of 2009, carry-through of various wage agreements and the OSD for Education therapists.

The second largest expenditure is on *Health*, and is expected to increase from R31.908 billion in 2015/16 to R35.661 billion in 2017/18. This reflects the province's commitment to provide effective and efficient health care services to the people of the province. The growth can be attributed to the carry-through costs of various wage agreements, the re-grading of clerical staff, the purchase of St Aidan's Hospital, as well as the inclusion of various national priorities, such as the extension of the TB (GeneXpert) system, the roll-out of the HPV vaccine commencing in 2016/17, among others.

Economic Affairs comprises DOT, DARD, DEDTEA and a portion of Provincial Treasury. This category shows an increasing trend over the seven-year period. This can be attributed to DOT's road maintenance

and construction projects, and learner transport services, as well as the provision of sheds for DARD's tractors in districts, livestock identification, and irrigation equipment for the Makhathini irrigation scheme. Also contributing to the increase are the carry-through costs under DEDTEA relating to KZN Sharks Board (KZNSB) for the Maritime Institute of Sectoral, Occupational Excellence (MISOE) operational costs, Trade and Investment KwaZulu-Natal (TIK) for the Technical Assistance Fund (TAF) and marketing. The increase is also due to the carry-through of previous wage agreements, and additional funding under Provincial Treasury for projects such as the Infrastructure Delivery Improvement Programme (IDIP) Technical Assistants (TAs), Operation Pay-on-Time, Operation Clean Audit, e-Procurement Tool, floor repairs to the Inkosi Albert Luthuli Central Hospital (IALCH), as well as various once-off projects, such as special audits, forensic investigations, contract management, a light industrial park at Bhongweni, among others.

The category *General Public Services* includes the Legislature and administrative departments such as Provincial Treasury, OTP, COGTA, DOPW, and portion of DOT and DARD. This category shows steady growth over the period under review, mainly due to the Integrity Management unit and the proclamation to combine Vote 10: The Royal Household with Vote 1: OTP, with the budget of DRH now added to Vote 1's budget (OTP), and the carry-through of the learner transport services (DOT), as well as various projects relating to the Small Town Rehabilitation, Massification and Corridor Development programmes that will be undertaken by COGTA, among others.

The growth against *Housing and Community Amenities* (DOHS) can mainly be attributed to the increase in the HSDG, which is used to promote the provision of low income housing using different programmes, such as project linked subsidies, people's housing programmes, integrated residential development programmes, rural housing subsidies, informal settlement upgrades, social housing, etc. The growth is largely a result of additional funding allocated in respect of the HSDG for the informal settlements upgrade in rapidly urbanising mining towns to support the implementation of the Strategic Infrastructure Projects (SIPs) identified by the Presidential Infrastructure Co-ordinating Committee (PICC).

The growth against *Social Protection* (DSD) can mainly be attributed to the funding allocated for national priorities such as support to the NGO sector, carry-through costs for absorbed social work graduates, provision of victim of gender-based violence services, among others, as well as inflationary increments.

Environmental Protection falls under DEDTEA and includes nature conservation. The public entity EKZNW under DEDTEA received additional funding for protected area expansion, in line with the SA Protected Area Expansion Strategy which aims to safeguard land for present and future socio-economic needs of the people. The entity also received additional funds for road maintenance, aimed at improving the condition of the roads in its reserves, and funds for the Rhino Security Intervention plan. The slight drop in the 2014/15 Adjusted Appropriation can be ascribed to a reduction for the development of the Bhambatha Lodge, due to delays in the implementation of projects. The transfers to this entity show inflationary growth over the 2015/16 MTEF, and cater for operational costs, infrastructure maintenance for EKZNW, for the Ntsikeni and May Lodge, and the development of the Bhambatha Lodge.

Recreation, Culture and Religion falls under DOSR and DAC and the growth from 2012/13 onward was mainly due to the substantial additional allocation relating to the provincialisation of public libraries and museums in the province (DAC), and the MPSD grant comprising of school sport, community mass participation and club development, as well as the once-off funding for the construction of a sports development centre in Durban (DOSR), among others. The 2015/16 MTEF mainly includes carry-through funds from DEDTEA in respect of the movement of the KZN Music House to DAC as a result of a directive from the Premier.

The category *Public Order and Safety* (Department of Community Safety and Liaison (DCSL)) reflects steady growth over the period, with the exception of 2012/13. The department substantially under-spent in that year due to non-filling of vacant posts pending the finalisation of the organisational structure, delays in the roll-out of the decentralisation strategy, and the discontinuation of the call-centre, which was a pilot study, whereby volunteers were linked, via two-way radios, to a central point under the Voluntary Social Crime Prevention Programme (VSCPP). Also, the leasing of district offices did not go ahead pending the finalisation of the new organogram, and delays in the acquiring process, as well as

discontinuation of the call-centre accounted for the low spending. The significant increase in 2013/14 was largely due to increased demand for crime awareness campaigns, and payment to SAPS for increased visible policing over the festive season. Projects which fall under crime awareness include, among others, victim empowerment, drug abuse, resolving political conflicts, etc. There was also a significant increase in *Capital* expenditure emanating from the purchase of motor vehicles to cater for the roll-out of the decentralisation strategy and the implementation of the new organisational structure. The growth can be ascribed to the establishment of community safety structures, the implementation of the new structure to roll-out the Civilian Secretariat for Police Services Act, and the implementation of the new organisational structure, in line with the decentralisation strategy which supports the implementation of the Civilian Secretariat for Police Services Act, as well as inflationary related increases.

5.5 Infrastructure

5.5.1 Infrastructure management

Infrastructure Delivery Management System (IDMS): According to the IMF, “When public investment in infrastructure is inefficient, higher levels of spending may simply lead to larger budget deficits, without increasing the quantity or quality of roads, schools, and other public assets that can help support economic growth.” For effective and efficient infrastructure delivery, the province will be introducing IDMS in all departments that implement infrastructure. IDMS is a government management system for planning, budgeting, procurement, delivery, maintenance, operation, monitoring and evaluation of infrastructure. It will assist departments to improve their capacity to deliver infrastructure.

Currently, IDMS is being institutionalised in the DOH, DOE, DOPW and Provincial Treasury. This is in support of Goal 4 of the PGDP which speaks of strategic infrastructure and states: “Strategic infrastructure provides for the social and economic growth and development needs of KZN.” For the province to realise its contribution and impact of infrastructure delivery toward economic development, an integrated delivery model needs to be institutionalised. IDMS supports infrastructure delivery in the province as this will contribute toward job creation.

Investments for infrastructure development: Infrastructure is a driving force for economic growth according to many experts, therefore, resources should be invested to support the development of infrastructure. The province, as part of developing the country, may have to keep the momentum of developing and maintaining its infrastructure going, despite the fiscal consolidation currently affecting the whole country. If overlooked, it may have a negative impact on the economic and social infrastructure which will affect service delivery in the long-run.

The institutionalisation of IDMS started in 2012. Capacitation of departments has been its main focus. A decision was taken to work toward DOPW being the implementing agent of choice. DOPW was then given a period of time to relook at its skills base with the intention of building capacity to deliver quality infrastructure on time for its clients. To gain other departments’ confidence, DOPW has to be sufficiently capacitated and be able to render the services expected by its clients. Sector departments are also being capacitated in terms of planning and monitoring their infrastructure portfolio. IDMS reviews are done annually as per DORA, and findings are used to recommend improvements and to indicate progress.

Maintenance of immovable assets owned by the province: Provincial government in general has focused on the infrastructure backlogs since the dawn of democracy. This was done to promote access throughout the province for socio-economic reasons. For optimum life span of a facility, maintenance and rehabilitation is required. Currently, there is a need to address the polarity of backlog/building new structures and maintenance by a slight shifting in focus in trying to balance the two. General consensus among experts concludes that 4 per cent of a building’s replacement value spent on maintenance is adequate to keep the structure in its new state. A provincial maintenance strategy is being looked at in trying to balance building new structures and maintaining what government already owns. It will be prudent to prioritise maintenance and place more emphasis on having all government immovable assets in a usable state.

5.5.2 Trends in infrastructure payments and estimates

It is indisputable that investment in infrastructure contributes to the economic development and growth of a country and hence, KZN has made infrastructure one of its key priorities. For a better standard of living and improved service delivery, adequate infrastructure is needed. Infrastructure does not only contribute to economic growth, but also improves people's lives. By the same token, inadequate and unreliable infrastructure has a negative impact on the economic development of a country. It is for this reason that the construction and maintenance of infrastructure is a priority in the province to enhance job creation, which is at the heart of government's social and economic development programmes.

Government has realised that there is a need for major public infrastructure investment to stimulate and sustain growth and development, both in urban and rural areas. KZN has positively contributed toward the national vision of poverty eradication, reducing income inequality and creating employment through infrastructure development.

Transport infrastructure facilitates economic growth by providing the required network to link various nodes of economic activity. The success of economic activities is therefore dependent on transport infrastructure. The construction and maintenance of roads by DOT will enhance the provincial contribution toward the economic development of this country. Without transport infrastructure, KZN will not achieve the growth levels that are both expected and required. Social infrastructure, including education and health facilities, has a direct impact on the quality of life of the citizens, hence investment in these two sectors is essential. KZN has made substantial progress in recent years in contributing toward addressing poverty through investment in the provision of essential public infrastructure such as schools, roads, health facilities, etc.

Table 5.10 provides the summary of infrastructure payments and estimates from 2011/12 to 2017/18. Table 1.D in the *Annexure to OPRE* provides more detail in this regard.

The payments and estimates are categorised as *Existing infrastructure assets*, *New infrastructure assets: Capital*, and *Infrastructure transfers*. The category *Existing infrastructure assets* is divided into three sub-categories, namely *Maintenance and repair: Current*, *Upgrades and additions: Capital* and *Refurbishment and rehabilitation: Capital*.

Table 5.10 indicates that there has been an increase in the infrastructure allocations for the period under review, with the budget growing from R9.731 billion in 2011/12 to R12.196 billion in 2017/18. This increase indicates the commitment to infrastructure development by the province. The growth is in spite of reprioritisation from this category by DOE to fund *Compensation of employees*, and in spite of the reduction in conditional grant funding. The development of infrastructure has been informed by the reduction of infrastructure backlogs across the province, thus positively contributing to economic growth.

Table 5.10 : Summary of infrastructure payments and estimates by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|-------------------|-------------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Existing infrastructure assets | 6 926 285 | 8 741 114 | 9 049 888 | 9 334 246 | 8 323 913 | 8 717 931 | 9 396 153 | 9 328 802 | 9 509 109 |
| Maintenance and repair: Current | 2 945 393 | 3 413 945 | 3 290 201 | 4 203 727 | 3 621 627 | 3 574 156 | 4 194 686 | 4 321 595 | 4 531 495 |
| Upgrades and additions: Capital | 2 517 630 | 3 815 037 | 4 088 800 | 3 340 802 | 3 348 122 | 3 662 166 | 2 949 034 | 2 677 979 | 2 830 379 |
| Refurbishment and rehabilitation: Capital | 1 463 262 | 1 512 132 | 1 670 887 | 1 789 716 | 1 354 163 | 1 481 608 | 2 252 433 | 2 329 228 | 2 147 235 |
| New infrastructure assets: Capital | 2 218 856 | 2 408 248 | 1 864 353 | 2 322 663 | 2 397 558 | 2 001 678 | 1 773 278 | 1 670 250 | 1 905 512 |
| Infrastructure transfers | 585 685 | 615 401 | 668 611 | 826 067 | 642 391 | 642 391 | 890 127 | 805 346 | 781 288 |
| Infrastructure transfers: Current | 11 559 | 4 950 | 3 322 | 54 181 | 3 300 | 3 300 | 1 650 | 1 650 | 1 650 |
| Infrastructure transfers: Capital | 574 126 | 610 451 | 665 289 | 771 886 | 639 091 | 639 091 | 888 477 | 803 696 | 779 638 |
| Infrastructure: Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure: Leases | - | - | - | - | - | - | - | - | - |
| Total | 9 730 826 | 11 764 763 | 11 582 852 | 12 482 976 | 11 363 862 | 11 362 000 | 12 059 557 | 11 804 398 | 12 195 909 |
| Capital infrastructure | 6 773 874 | 8 345 868 | 8 289 329 | 8 225 067 | 7 738 934 | 7 784 543 | 7 863 221 | 7 481 153 | 7 662 764 |
| Current infrastructure | 2 956 952 | 3 418 895 | 3 293 523 | 4 257 908 | 3 624 927 | 3 577 456 | 4 196 336 | 4 323 245 | 4 533 145 |

The bulk of the infrastructure funding is reflected against *Existing infrastructure assets*, through *Maintenance and repair: Current*, *Upgrades and additions: Capital* and *Refurbishment and rehabilitation: Capital*. The proportion of funding allocated to *Existing infrastructure assets* has

substantially increased from R6.926 billion in 2011/12 to R9.509 billion in 2017/18 indicating a shift in focus to maintaining assets before deterioration requires a more expensive intervention.

The reduction in the infrastructure budget in 2016/17 relates to the Education Infrastructure grant and the Hospital Facility Revitalisation grant declining in the outer two years due to reforms that were made to the provincial infrastructure grant system that are intended to institutionalise proper planning for infrastructure. Provinces were informed in 2012/13 by National Treasury that they will be required to bid for the infrastructure allocation two years in advance and financial incentives will be built into these grants for provinces that implement best practices. The grant is provided with funding in 2016/17 and 2017/18 due to concerns expressed by provinces over the difficulty in planning ahead without knowing allocations for the two outer years. The “incentive” allocations for the two outer years remain unallocated at National Treasury and will be accessible to provinces when the next round of planning documents are submitted for the 2016/17 MTEF. In this regard, both Education and Health received an increase in 2015/16 in this grant as the required planning documents were submitted. The reduction in the 2014/15 Adjusted Appropriation also relates to DOE implementing enforced savings and reprioritisation of funds against the equitable share portion in order to ease pressures in *Compensation of employees*.

Table 5.11 shows an increase in the provincial allocations for infrastructure from R9.731 billion in 2011/12 to R12.196 billion in 2017/18. This positive growth shows government’s commitment to infrastructure development and the related economic growth of the province.

Table 5.11 : Summary of infrastructure payments and estimates by vote

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|---|------------------|-------------------|-------------------|-------------------|--------------------------|-------------------|-----------------------|-------------------|-------------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation 2014/15 | Estimate | 2015/16 | 2016/17 | 2017/18 |
| 1. Office of the Premier | 4 057 | 16 271 | 24 272 | 16 760 | 24 560 | 24 560 | 19 629 | 19 299 | 20 264 |
| 2. Provincial Legislature | 1 514 | 4 796 | 11 338 | 4 685 | 4 685 | 5 552 | 4 900 | 4 990 | 5 110 |
| 3. Agriculture and Rural Development | 118 607 | 176 722 | 162 293 | 164 886 | 147 586 | 147 586 | 140 756 | 148 405 | 154 358 |
| 4. Economic Dev, Tourism and Enviro Affairs | 470 529 | 415 613 | 559 655 | 655 747 | 540 747 | 540 775 | 660 015 | 652 876 | 685 519 |
| 5. Education | 2 196 793 | 2 716 925 | 2 553 784 | 2 722 349 | 1 862 349 | 1 862 926 | 2 504 035 | 2 250 229 | 2 155 155 |
| 6. Provincial Treasury | 31 264 | 28 012 | 21 085 | 13 500 | 31 883 | 31 883 | 10 062 | - | - |
| 7. Health | 1 795 794 | 2 349 724 | 1 976 758 | 1 541 776 | 1 632 855 | 1 656 641 | 1 504 206 | 1 362 221 | 1 427 682 |
| 8. Human Settlements | 11 022 | 116 009 | 47 183 | 202 756 | 108 720 | 108 720 | 160 900 | 110 820 | 53 869 |
| 9. Community Safety and Liaison | - | - | 312 | - | - | - | - | - | - |
| 10. The Royal Household (moved to OTP) | - | - | - | - | - | - | - | - | - |
| 11. Co-operative Governance and Traditional Affairs | 22 625 | 24 225 | 39 069 | 59 903 | 85 152 | 80 152 | 78 231 | 63 596 | 68 374 |
| 12. Transport | 4 763 652 | 5 567 450 | 5 805 930 | 6 706 878 | 6 552 451 | 6 533 844 | 6 550 069 | 6 816 127 | 7 228 189 |
| 13. Social Development | 179 977 | 173 546 | 203 739 | 122 312 | 135 133 | 135 218 | 152 938 | 153 715 | 167 346 |
| 14. Public Works | 51 593 | 87 999 | 84 143 | 87 034 | 109 106 | 105 508 | 77 373 | 72 618 | 70 625 |
| 15. Arts and Culture | 52 490 | 53 636 | 42 825 | 94 012 | 70 257 | 70 257 | 118 479 | 105 452 | 113 748 |
| 16. Sport and Recreation | 30 909 | 33 835 | 50 466 | 90 378 | 58 378 | 58 378 | 77 964 | 44 050 | 45 670 |
| Total | 9 730 826 | 11 764 763 | 11 582 852 | 12 482 976 | 11 363 862 | 11 362 000 | 12 059 557 | 11 804 398 | 12 195 909 |

Most departments contribute to the positive growth in the infrastructure allocations shown in Table 5.11, especially departments such as DOT, DOE, DOH and DEDTEA. DOT’s infrastructure investments continue to increase due to the demand in the construction of new, and maintenance of existing roads. In 2015/16, the department will continue with construction and maintenance projects which include Main Road P234, Main Road P104, Main Road P1-1(M13), Main Road P496, Main Road P230, and Main Road P68. The details of these projects are included in the Vote 12 chapter in the *EPRE*.

DEDTEA has invested in the construction of DTP and the RBIDZ. DTP is a multi-nodal development of the air logistics industry. DTP includes a cargo terminal, Trade Zone, KSIA, Dube City, among others. The RBIDZ includes major projects which will be implemented in line with its 50-year Master Plan, and includes negotiations with Transnet regarding a container terminal, as well as several potential tenants to establish manufacturing plants in the RBIDZ.

DOH’s infrastructure includes focusing on the revitalisation of hospitals, nursing colleges, community health centres and clinics. The hospital revitalisation programme includes major hospitals, including Dr. Pixley ka Seme and King Dinuzulu Hospitals. Health’s baseline for infrastructure shows a substantial increase from 2011/12 to 2013/14, resulting from a focused drive by the department to improve its physical facilities and medical equipment to an acceptable level. Thereafter, the trend decreases due to the Census-based baseline cuts and fiscal consolidation reductions in conditional grants.

DOE's infrastructure expenditure has experienced growth, and this relates to renovations of existing assets, repairs due to storm damage, as well as the construction of new school facilities. The strong growth from 2012/13 corresponds with the increase in demand, particularly in respect of the roll-out of Grade R, building of special schools, and non-school buildings. The decrease in the 2014/15 Adjusted Appropriation relates to vigorous reprioritisation and enforced savings conducted by the department in order to fund the pressures against *Compensation of employees*. However, the reduction of R860 million from the equitable share portion of the infrastructure budget has had a negative impact on the roll-out of the infrastructure programme. The negative growth from 2016/17 to 2017/18 corresponds to the decrease in the equitable share portion of the infrastructure budget due to reprioritisation to ease pressures against *Compensation of employees*, as well as the reduction in the conditional grant funding. It should be noted that various projects were stopped including upgrades and additions, and new infrastructure.

5.5.3 Public Private Partnerships (PPP)

The following gives an update on the PPPs in KZN.

KZN Provincial Government – New Office Park

The provincial government initiated a government office precinct project in 2009/10, which was aimed at reducing the shortage of office space in Pietermaritzburg for departments' head offices. In June 2013, the province took a decision to resuscitate the project after it had previously been put on hold, and mandated both DOPW and Provincial Treasury to update the feasibility study. The update of the feasibility study was completed by the end of June 2013. In preparation for Treasury Approval 1 (TA1) and taking into account the fiscal position of the country, the province had to assess various funding options in order to obtain optimum value for money for the project. This process has currently been put on hold in light of the fiscal consolidation cuts announced that have affected the provincial budget.

King Edward VIII Hospital

The revitalisation of King Edward VIII hospital was identified through a review and business plan undertaken and drafted in 2006, and approved by the NDOH in April 2009. The objective of the project is to establish a framework for a PPP in financing, designing, constructing and operating suitable hospital facilities for the delivery of health services. NDOH took a decision to go to the procurement process stage for all five pilot hospitals. It was indicated that National Treasury has given an exemption in relation to the feasibility study and TA1. However, it is expected and desired that the feasibility study will be finalised before the Request for Proposals (RFP) is issued.

Education's schools and office project

DOE is experiencing a substantial infrastructure backlog for both schools and related administrative and support spaces and facilities. The DOE appointed transaction advisors to assist in investigating the feasibility and affordability of the different procurement options to determine which will provide the best technical, financial and legal solution in delivering in terms of these backlogs in the shortest and most equitable way, including the option of a PPP. The feasibility study, as per the original schedule, is in its final stages and will determine the different possible and viable PPP solutions to the infrastructure backlog facing the department.

KwaDukuza Municipality – Solid Waste Management PPP project

The KwaDukuza Municipality identified the need to procure the most cost effective service delivery mechanism in respect of refuse removal. A team of TAs was appointed to assist the municipality in undertaking Section 78 investigations. The feasibility study report is complete, but there are challenges with the report and associated factors which have led to project delays and slow progress. It is expected that the challenges will be addressed in 2015/16 and possibly proceed to procurement phase thereafter.

Ilembe District Municipality – Water and Sanitation

In January 1999, the Borough of Dolphin Coast (now Ilembe District Municipality) and Siza Water Company entered into a concession agreement whereby Siza Water Company would oversee, manage and implement the provision of water and sanitation services within the municipal boundary on a concession

basis. This is a closed project, with a concession period of 30 years and a contract reviewable on a five-year basis. The municipality is in the process of finalising its third five-year review plan.

Inkosi Albert Luthuli Central Hospital (IALCH)

DOH entered into a PPP transaction in terms of which a 15-year concession contract in respect of the IALCH was signed in December 2001 between DOH and Impilo Consortium (Pty) Ltd. Financial closure occurred in February 2002, with the hospital opening its doors on 28 June 2002. The project is now in its thirteenth year and the department has appointed specialist consultants to undertake the final works as required by Section 18.5 of the contract between the parties and is also in the process of appointing TAs to undertake a contract review and an assessment into the compliance of all parties in preparation for the exit strategy.

KZN Legislature

This project entails the design, finance, and construction of a new Legislature complex comprising of offices, assembly areas, auditoriums, meeting places, health care facilities, dining facilities, parking, etc., together with other related ancillary works. The project includes the operation and maintenance of all of the facilities, including soft and hard facilities management service. The project was once suspended due to the financial crisis the province was in at the time. It was subsequently revived and the previous TAs were reappointed. A deviation motivation was approved and is awaiting the finalisation of the contract before the work of the TAs can commence. It was therefore suggested that an update of the project be undertaken and the progress made be assessed for the Legislature to ascertain their views on the project. Although this project could also be affected by the period of fiscal consolidation, it was agreed that there are some aspects of the project which need to be finalised to ensure that, by the time it is reintroduced, there would be no need for revising the information. The negotiations between the TAs and Provincial Treasury are currently under way in this regard.

5.6 Transfers

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

Table 5.12 shows the summary of provincial transfers to public entities by department, which are discussed in the paragraphs before and after the table below. Transfers to public entities reflect a fluctuating trend from 2011/12 to 2013/14, largely attributable to various once-off allocations, as well as reprioritisation by the transferring departments in line with strategic priorities and spending trends. These are discussed in greater detail in each department's chapter.

From 2011/12, transfers to public entities reflect a fluctuating trend, with a slight decline in 2015/16. A period of fiscal consolidation makes a government look at areas of possible savings, in order to protect spending in areas that are of strategic importance to the province. Provincial Treasury will therefore do an in-depth analysis of all transfers made by provincial departments to their various public entities. A first draft document in this regard has already been prepared and will serve before Cabinet shortly. This document proposes various significant cuts in the transfers made to public entities. These cuts will be given effect to in the 2015/16 Adjustments Estimate.

Vote 1: Office of the Premier

- Amafa aKwaZulu-Natali (Amafa) is responsible for administering heritage conservation and supporting cultural tourism in the province. An additional R3.059 million was allocated in 2014/15 to enable Amafa to apply for World Heritage status in respect of the Emakhosini Valley, to upgrade its research and education facilities, as well as various heritage sites and to also purchase support equipment. In addition, Amafa received R3.136 million in the 2014/15 Adjusted Appropriation in respect of surplus funds which were surrendered by Amafa to the Provincial Revenue Fund in 2012/13. These funds are allocated back to Amafa in 2014/15 to roll-out new projects.
- The Royal Household Trust (RHT) was established in 2010/11. In 2011/12, according to a Cabinet resolution, the RHT received seed funding of R5 million for its establishment costs. It was envisaged that the RHT would assume its full functions from 2014/15, hence the substantial increase in the

2014/15 Main Appropriation. However, in the 2014/15 Adjusted Appropriation, an amount of R7.050 million was withheld as the former DRH continued to pay salaries for staff who were performing functions on behalf of RHT, pending negotiations with organised labour. The amounts over the 2015/16 MTEF provide for operational and staffing costs, as well as maintenance of the Royal palaces and farming activities.

Table 5.12 : Summary of provincial transfers to public entities by transferring department

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| | | | | | | | | | |
| Vote 1 : Office of the Premier | 35 357 | 36 960 | 44 395 | 54 406 | 50 492 | 50 492 | 58 392 | 59 572 | 62 551 |
| Amafa aKwaZulu-Natali | 24 057 | 26 460 | 29 095 | 32 013 | 35 149 | 35 149 | 34 977 | 34 916 | 36 662 |
| Royal Household Trust | 11 300 | 10 500 | 15 300 | 22 393 | 15 343 | 15 343 | 23 415 | 24 656 | 25 889 |
| Vote 3 : Agriculture and Rural Dev. | 173 442 | 209 133 | 147 759 | 167 226 | 171 587 | 171 587 | 173 625 | 181 580 | 190 949 |
| Agri-business Development Agency | 126 761 | 140 734 | 101 152 | 106 410 | 106 410 | 106 410 | 123 119 | 128 397 | 134 948 |
| Ithala Development Finance Corporation | - | - | - | - | 4 361 | 4 361 | - | - | - |
| Mjindi Farming (Pty) Ltd | 46 681 | 68 399 | 46 607 | 60 816 | 60 816 | 60 816 | 50 506 | 53 183 | 56 001 |
| Vote 4 : Economic Dev, Tourism and Enviro. Affairs | 1 472 508 | 1 548 734 | 1 768 060 | 1 860 301 | 1 848 704 | 1 848 704 | 1 810 980 | 1 853 923 | 1 925 128 |
| Dube TradePort Corporation | 448 334 | 392 308 | 575 402 | 630 375 | 515 375 | 515 375 | 593 609 | 625 071 | 656 325 |
| Ezemvelo KwaZulu-Natal Wildlife | 492 287 | 549 893 | 588 522 | 662 395 | 660 395 | 660 395 | 651 319 | 686 325 | 720 416 |
| Bhambatha lodge, Ingodini Border Caves | 970 | - | - | 4 500 | 2 500 | 2 500 | 4 500 | 4 500 | 4 500 |
| Subsidy from Vote 4 | 491 317 | 549 893 | 588 522 | 657 895 | 657 895 | 657 895 | 646 819 | 681 825 | 715 916 |
| Ithala Development Finance Corporation | 280 000 | 249 500 | 300 000 | 185 000 | 279 600 | 279 600 | 149 700 | 148 000 | 148 000 |
| Enterprise Development Fund | 180 000 | 189 500 | 185 000 | 148 000 | 148 000 | 148 000 | 148 000 | 148 000 | 148 000 |
| Ithala Share Capital and Turnaround strategy | - | - | 105 000 | - | 105 000 | 105 000 | - | - | - |
| Ndumo Regeneration Programme | - | - | 10 000 | - | 25 800 | 25 800 | - | - | - |
| Drakensberg Cable Car - EIA | - | - | - | - | 800 | 800 | 1 700 | - | - |
| Growth Fund | 100 000 | 60 000 | - | - | - | - | - | - | - |
| Small Business Development Agency | - | - | - | 37 000 | - | - | - | - | - |
| KwaZulu-Natal Liquor Authority | - | 55 699 | 43 920 | 77 282 | 77 282 | 77 282 | 67 008 | 70 166 | 72 403 |
| KwaZulu-Natal Tourism Authority | 89 381 | 118 292 | 99 983 | 103 628 | 109 297 | 109 297 | 101 512 | 106 203 | 111 813 |
| KwaZulu-Natal Sharks Board | 41 334 | 55 371 | 59 985 | 56 109 | 57 109 | 57 109 | 56 678 | 59 364 | 56 032 |
| Richards Bay Industrial Development Zone | 59 636 | 62 618 | 25 164 | 68 170 | 68 170 | 68 170 | 110 947 | 74 707 | 78 442 |
| Trade and Investment KwaZulu-Natal | 61 536 | 65 053 | 75 084 | 77 342 | 81 476 | 81 476 | 80 207 | 84 087 | 81 697 |
| Vote 6 : Provincial Treasury | 17 337 | 35 775 | 41 881 | 39 276 | 39 276 | 39 276 | 32 532 | 34 255 | 35 968 |
| KwaZulu-Natal Gaming and Betting Board | 17 337 | 35 775 | 41 881 | 39 276 | 39 276 | 39 276 | 32 532 | 34 255 | 35 968 |
| Vote 8 : Human Settlements | - | 134 477 | - | 20 000 | - | 932 | - | - | - |
| National Housing Finance Corporation | - | - | - | 20 000 | - | - | - | - | - |
| Social Housing Regulatory Authority | - | 134 477 | - | - | - | 932 | - | - | - |
| Vote 11 : COGTA | 1 700 | 1 000 | - | 18 850 | 18 850 | 18 850 | - | - | - |
| Agri-business Development Agency | 1 700 | - | - | 18 850 | 18 850 | 18 850 | - | - | - |
| KwaZulu-Natal Tourism Authority | - | 1 000 | - | - | - | - | - | - | - |
| Vote 15 : Arts and Culture | 6 401 | 6 721 | 7 057 | 7 445 | 7 445 | 7 445 | 7 787 | 8 176 | 8 585 |
| The Playhouse Company | 6 401 | 6 721 | 7 057 | 7 445 | 7 445 | 7 445 | 7 787 | 8 176 | 8 585 |
| Total | 1 706 745 | 1 972 800 | 2 009 152 | 2 167 504 | 2 136 354 | 2 137 286 | 2 083 316 | 2 137 506 | 2 223 181 |

Vote 3: Agriculture and Rural Development

- The Agri-business Development Agency (ADA) was established to support land reform farmers in KZN. The allocation in 2011/12 includes a large number of projects implemented by ADA on behalf of the department. The increase from 2013/14 onward is as a result of the inclusion of project costs, as well as the full administrative and operational costs in the allocation.
- The department transferred R4.361 million to Ithala in the 2014/15 Adjusted Appropriation to assist Ntingwe Tea Estate in respect of three months' wages.
- Mjindi is mandated to provide farming support to farmers in the Makhathini area. In 2012/13, the entity received additional once-off funding toward repairs to the irrigation scheme. The once-off increase in 2014/15 provides for the purchase of irrigation equipment. The allocation over the 2015/16 MTEF is for the operational costs and maintenance of existing infrastructure.

Vote 4: Economic Development, Tourism and Environmental Affairs

- DTPC is a public entity established for the strategic planning, establishment, design, construction, operation, management and control of DTP. The 2012/13 allocation was reduced by R40 million to fund other areas of critical need within the department, such as the MTV Awards and the Project Tour Mentor Partnerships, Integrated Craft Hubs, etc. The further decrease in the 2014/15 Adjusted Appropriation and over the MTEF can be ascribed to reprioritisation undertaken by the department due to the entity's positive cash balance.

- EKZNW directs the management of biodiversity conservation within KZN, including protected areas. The 2012/13 year included specific funding for protected area expansion and road maintenance (increasing substantially from 2013/14 onward) and the Rhino Security Intervention plan. In 2014/15, the budget provides for a once-off additional transfer relating to the suspension of unspent, uncommitted road maintenance funds from 2013/14, explaining the decrease in 2015/16.

There is also an allocation of R4.500 million per year from 2014/15 to 2017/18, which is a provision for continuation of projects such as the Ntsikeni and May Lodge in the Ntsikeni Reserve (R2.500 million), as well as the development of Bhambatha Lodge (R2 million). The decrease in the 2014/15 Adjusted Appropriation can be ascribed to a reduction of R2 million for the development of the Bhambatha Lodge, due to delays in the implementation of projects.

- The department transfers funds to Ithala on a project-specific basis and Ithala then oversees the financing and control of the projects, as well as the recovery of the loans. The allocation from 2011/12 to 2012/13 included the Enterprise Development and Growth Funds. The latter became a stand-alone entity from 2013/14 onward, and the transfers from 2013/14 are therefore excluded from this table, as the KZN Growth Fund Trust is still in the process of being registered as a public entity. The Enterprise Development Fund, which combined the funding streams of the former Co-operatives and SMMEs funds, declined in 2012/13 due to savings in the Growth Fund which were reprioritised to cater for the KZN Convention Bureau Bid Fund and TAFI, Tourism *Indaba* and MISOE.

Significant transfers to Ithala over the seven-year period include the following:

- In 2013/14 and the 2014/15 Adjusted Appropriation, Ithala received once-off funding in respect of Ithala share capital, to assist it with the bank's capital adequacy ratio, as well as for the Ndumo Regeneration programme, whereby the entity is commissioned to champion this integrated multi-purpose and multi-sectoral project to revitalise the Ndumo area. Funds were also allocated towards Ithala's turnaround strategy.
- In 2014/15 and 2015/16, the allocation to Ithala includes once-off funding for conducting the Environmental Impact Assessment (EIA) in respect of the Drakensberg cable car.
- The allocation over the 2015/16 MTEF provides for the Enterprise Development Fund, as mentioned above, and this allocation remains constant over the MTEF.
- KZNLA was established in 2012/13 to issue liquor licences and administer the collection of liquor licence fees. The high allocation in 2012/13 can be ascribed to the once-off additional funding provided for its establishment costs. Further once-off additional funding for the entity's operational costs was allocated in 2014/15, including the carry-through allocation for the procurement of an IT system. From 2015/16 onward, the entity's budget is supplemented through revenue generated from liquor licences.
- Tourism KwaZulu-Natal (TKZN) is responsible directly and indirectly for the development, promotion and marketing of tourism into and within KZN. In 2012/13, TKZN received additional funding to host the Tourism *Indaba*, East 3 Route and KZN is Summer campaign, which is a marketing strategy to increase tourism in KZN. In addition, funding was received for the entity's SAP and VIP pay-roll system. In the 2014/15 Adjusted Appropriation, the entity's allocation was increased to cater for the costs incurred through the participation in the 2014 Carnival International De Victoria in the Seychelles, for promotion and marketing the East 3 Route and for organising the KZN is Summer campaign. Over the MTEF, transfers to TKZN are reduced by R18 million in respect of the East 3 Route, which will now be implemented by the department and not by the entity.
- The core function of the KZNSB is the protection of bathers against shark attacks. The transfer to KZNSB reflects an increasing trend from 2011/12 to 2013/14 due to once-off additional funding in respect of critical roof repairs at the entity's headquarters and the purchase and installation of a biometric access control system. In addition, the entity received funding to investigate more environmentally friendly shark repellent technology and to fill critical vacancies in its SCM unit, as well as project funding for MISOE. In the 2014/15 Adjusted Appropriation, KZNSB received a

once-off amount of R1 million for hosting the Sharks International Conference in June 2014. The reduction in 2017/18 can be ascribed to additional funding for MISOE falling away.

- RBIDZ is a Schedule 3D public entity established to undertake the development of industrial land in the Richards Bay area. The substantial decrease in 2013/14 is attributed to the reduction of transfers to the entity due to the entity's positive cash balance and funds were reprioritised by the department to projects such as the Co-operatives Incubator programme and the Ndumo Regeneration programme. The significant growth in 2015/16 is ascribed to once-off additional transfers for infrastructure relating to the entity's Master Plan, explaining the significant decrease in 2016/17.
- TIK is a trade and investment promotion agency, whose mandate it is to attract foreign and domestic investment and to generate exports and export capacity within KZN. The allocation to TIK grows steadily from 2011/12 to 2012/13. The increase in 2013/14 relates to once-off additional funding for the Makhaya Arts and Culture Development, and for investment seminars to be conducted by the entity. The entity received an additional allocation from 2014/15 to 2016/17 to cater for TAF and marketing, hence the decrease in 2017/18. In the 2014/15 Adjusted Appropriation, an additional amount of R1.250 million was earmarked for the TAF renewable energy project.

Vote 6: Provincial Treasury

- The KZNGBB was established in 2011/12 to ensure that all gambling authorised in terms of the KZN Gaming and Betting Act is conducted in a manner that promotes the integrity of the horse racing, betting and gaming industry. The increase in 2012/13 can be ascribed to additional funding in respect of the merger of the horse racing regulator into KZNGBB. In 2013/14, there was once-off additional funding of R4.450 million for a new IT system. The decrease from 2014/15 to 2015/16 is attributed to the fiscal consolidation exercise undertaken by Provincial Treasury in terms of which potential areas of savings were identified, such as board fees, subsistence and travel and consultant costs, among others. Hence transfers to the entity were decreased over the 2015/16 MTEF.

Vote 8: Human Settlements

- The allocation to the National Housing Finance Corporation (NHFC) was withdrawn from the 2014/15 Main to Adjusted Appropriation, due to challenges that were experienced with the identified pilot projects which did not meet the policy requirements. There is no allocation to the NHFC over the 2015/16 MTEF.
- The expenditure in 2012/13 relates to transfers made to Social Housing Regulatory Authority (SHRA) for the implementation of the social housing programme. The non-allocation to SHRA from 2013/14 is a result of the fact that the entity has not yet fully spent the allocation that was transferred to them in 2012/13.

Vote 11: Co-operative Governance and Traditional Affairs

- The department made a once-off transfer in 2011/12 to ADA in respect of a communal vegetable farming project at KwaSani, and an agri-processing facility at Middlerus in Mpofana. The amount in 2014/15 is for the implementation of the Uthukela *Amakhosi* Programme and the Msinga *Asisukume* Co-operative, due to capacity constraints in the municipalities.
- The once-off amount reflected in 2012/13 relates to a transfer to TKZN for the erection of tourism signage in municipalities.

Vote 15: Arts and Culture

- The Playhouse Company is a cultural institution promulgated under the Cultural Institutions Act, No. 119 of 1998. Its primary mandate is to develop and promote artistic works that are representative of the diverse South African artistic and cultural heritage. The department entered into an agreement with the entity based on projects which The Playhouse Company embarked on and which are linked to the mandate of the department. The increase over the 2015/16 MTEF is due to inflationary increments.

5.6.2 Transfers to other entities

Table 5.13 below shows the summary of departmental transfers to other entities, other than public entities, by vote. Details of these are provided within each department's chapter in the *EPRE*. *Transfers to other entities* increases from R3.238 billion in 2011/12 to R4.706 billion in 2017/18.

Table 5.13 : Summary of departmental transfers to other entities by Vote

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Office of the Premier | 12 000 | 8 030 | - | - | 4 226 | 4 226 | - | - | - |
| 2. Provincial Legislature | - | - | - | - | - | - | - | - | - |
| 3. Agriculture and Rural Development | 5 785 | 12 870 | 8 878 | 4 436 | 12 486 | 12 486 | 4 303 | 4 556 | 4 825 |
| 4. Economic Dev, Tourism and Enviro Affairs | 45 426 | 58 495 | 750 831 | 172 408 | 311 684 | 311 684 | 214 923 | 254 746 | 260 823 |
| 5. Education | 1 219 386 | 1 458 236 | 1 556 294 | 1 769 706 | 1 730 559 | 1 696 413 | 1 823 043 | 1 757 569 | 1 844 034 |
| 6. Provincial Treasury | - | - | - | - | 1 000 | 1 000 | 3 150 | 3 150 | 3 150 |
| 7. Health | 273 487 | 277 586 | 256 751 | 250 647 | 230 638 | 225 153 | 215 100 | 227 412 | 235 953 |
| 8. Human Settlements | 185 566 | 185 091 | 167 940 | - | 148 530 | 148 530 | 168 980 | 198 500 | 209 878 |
| 9. Community Safety and Liaison | 289 | - | - | - | - | - | - | - | - |
| 10. The Royal Household (moved to OTP) | - | - | - | - | - | - | - | - | - |
| 11. Co-operative Governance and Traditional Affairs | - | 658 | - | - | 254 | 254 | - | - | - |
| 12. Transport | 773 473 | 808 877 | 915 867 | 910 783 | 1 002 829 | 1 002 829 | 1 063 000 | 1 125 452 | 1 192 975 |
| 13. Social Development | 691 989 | 587 278 | 729 779 | 816 511 | 771 233 | 789 258 | 756 768 | 812 206 | 854 198 |
| 14. Public Works | - | - | - | - | - | - | - | - | - |
| 15. Arts and Culture | 21 901 | 29 105 | 33 450 | 28 879 | 61 359 | 61 359 | 47 478 | 48 011 | 49 907 |
| 16. Sport and Recreation | 8 600 | 22 560 | 35 911 | 36 881 | 52 539 | 52 539 | 45 126 | 48 116 | 50 694 |
| Total | 3 237 902 | 3 448 786 | 4 455 701 | 3 990 251 | 4 327 337 | 4 305 731 | 4 341 871 | 4 479 718 | 4 706 437 |

Vote 1: Office of the Premier

In 2011/12 and 2012/13, amounts of R12 million and R8 million, respectively, were transferred to the LIV Orphanage to assist the orphanage with building a holistic village.

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

In the 2014/15 Adjusted Appropriation, an amount of R4.226 million was allocated toward the construction of the Denis Hurley Centre in Durban.

Vote 3: Agriculture and Rural Development

Transfers were made to the SA Sugarcane Research Institute to assist small-scale farmers affected by drought. The department also entered into a two-year partnership with the Pmb SPCA, relating to the KZN Outreach programme and a one-year partnership with the Animal Anti-Cruelty League (AACL) in 2014/15 for the same KZN Outreach programme.

Transfers were also made relating to the soil conversation subsidy and toward Agricultural Show Societies (which are aimed at showcasing the latest developments in agriculture), People's Bio Oil (Pty) Ltd and the Zakhe Agricultural College.

Vote 4: Economic Development, Tourism and Environmental Affairs

Over the 2015/16 MTEF, the department transfers funds to various entities, namely the KZN Growth Fund Trust, Small Business Development Agency (SBDA), KZN Film Commission, Clothing Textile, Moses Kotane Institute, Ugu ICT incubator, Tourism Enterprise Partnership, WESSA and SAAMBR.

The KZN Growth Fund Trust was established to lend funds to commercially viable projects. In 2013/14, the Growth Fund was restructured, and the KZN Growth Fund Trust established. Prior to the KZN Growth Fund Trust, the funding was routed via Ithala. In the 2014/15 Adjusted Appropriation, a net amount of R40 million was reduced from the KZN Growth Fund Trust allocation and these funds were utilised to provide for the SBDA establishment costs, for the Growth Fund restructuring feasibility study, an independent Ithala repositioning analysis report, as well as a study into the rationalisation of the department's public entities. The allocation to this entity remains constant over the 2015/16 MTEF.

In 2014/15, transfers to various entities were made relating to the department funding partnerships and for major events, the details of which are provided in Vote 4's chapter in Part 2 of the *EPRE*. The increase in

the 2014/15 Adjusted Appropriation includes a number of once-off transfers in respect of Africa Bike Week, SA Women's Golf Tournament, Nelson Mandela Golf Tournament, among others.

Vote 5: Education

The largest portion of transfers is in respect of Section 21 schools, relating to the transfers of norms and standards funding. The decrease in the 2014/15 Adjusted Appropriation relates to the reprioritisation of funds to cater for the purchases for Non Section 21 schools, including purchases of furniture for the care centres in full service schools. The 2014/15 Revised Estimate reflects projected under-expenditure due to the anticipated non-transfer to schools that do not meet the requirements.

The 2015/16 allocation is inclusive of a 2.5 per cent increase in the per capita funding for public ordinary schools which is below the norms and standards due to the budget constraints experienced by the department.

Transfers to public special schools increase over the seven-year period which indicates the extent to which the department is focusing on learners with special needs.

Vote 6: Provincial Treasury

From the 2014/15 Adjusted Appropriation onward, Provincial Treasury transfers funds with regard to the Financial Literacy Project (FLP). This project was initiated by the MEC for Finance with the aim of educating the citizens of KZN about using their money wisely and also on various aspects such as encouraging savings and financial discipline.

Vote 7: Health

The transfers under this vote relate mainly to entities that receive funding for the provision of general clinic services, HIV and AIDS services, district and general hospital services, and TB services. The varying trend across the seven years relates mainly to the inclusion/exclusion of entities, as well as to the implementation of OSD for doctors in certain institutions which qualify.

The decrease in 2013/14 is a result of a reduction in transfer to McCord Hospital following its takeover by the province, as well as delays in signing SLAs for various NGOs. The further decrease in 2014/15 is due to the transfers budgeted for McCord Hospital, which were no longer required following the negotiations and takeover by the state. In addition, the funding for the development and refurbishment of the KZN Children's Hospital Trust in the eThekweni Metro ceases, due to the completion of the contract.

Over the MTEF, the baseline growth is for inflationary purposes only. The amounts over the MTEF are funds awaiting recommendations upon receipt of requests for additional or new funding from the districts (for NGOs).

Vote 8: Human Settlements

The department is funding the KZN Housing Fund. These allocations were previously made from all categories within the Vote, but following an A-G finding and in compliance with Generally Recognised Accounting Standards (GRAP) requirements, payments are now reflected against *Transfers to other entities*, as corrected in the 2104/15 Adjusted Appropriation (hence there is no budget allocation in the 2014/15 Main Appropriation). The historical data prior to 2014/15 has been restated for comparative purposes.

Vote 9: Community Safety and Liaison

The department transferred R289 000 for the procurement and transfer of a park home in Umlazi to a community policing NGO.

Vote 11: Co-operative Governance and Traditional Affairs

The department transferred funds relating to the KZN Top Business Portfolio with regard to the update of promotional DVDs to showcase successful growth in the province, to the *Sakhisizwe* Management Agency for the heritage month celebration, as well as to the South African Planning Institute (SAPI) in respect of the Planning Africa Conference (which promotes information sharing and/or continuous professional development in the planning arena).

Vote 12: Transport

The transfers under this vote relate to the PTOG for the payment of bus subsidies to bus operators.

As of 2013/14, transfers are also made toward the *Vukuzakhe* Emerging Contractors Association (VECA), who monitor the *Vukuzakhe* emerging contractors for compliance to norms and standards.

Vote 13: Social Development

The transfers under this vote relate mainly to funding given to various NPOs, NGOs and Faith-based Organisations (FBOs).

The reduction in the 2014/15 Adjusted Appropriation relates to the unsatisfactory performance by the implementing agent – i.e. the National Development Agency, hence the department shifted funds to *Goods and services* in order to appoint a consultant for the implementation of the programmes.

The growth over the 2015/16 MTEF is attributable to additional national priority funding relating to the improvement of the quality of services provided by NGOs and their financial sustainability, youth development, provision of shelters for victims of gender-based violence. In addition, the department intends increasing tariffs to NPOs by 6 per cent over the 2015/16 MTEF.

Vote 15: Arts and Culture

The transfers under this vote relate mainly to arts and culture support, museum subsidies, community art centres, as explained in detail below:

- *KZN Philharmonic Orchestra:* Funding is provided to the KZN Philharmonic Orchestra, which is a non-profit institution committed to ensuring the development of artists through nurturing local talent and skills and providing cultural entertainment.
- *Community art centres:* The department funds community art centres, which contribute to the development and training of artists.
- *Arts and culture support:* This funding is provided to various organisations to assist with providing a platform for emerging artists.
- *Arts councils:* Funding is provided to properly constituted arts, culture and craft organisations that develop and preserve arts and culture in the province.
- *Museum subsidies:* Funding is provided to NPOs to cover operational and staffing costs. Museums are managed by a Board of Trustees and a large portion of the funding transferred to them is utilised to cover the salaries paid to curators.

Vote 16: Sport and Recreation

Transfers made by the department are largely in respect of sporting organisations from different sporting codes, for the promotion and development of sport and recreation in KZN. Funding is only allocated once the organisation has met all the requirements.

5.6.3 Transfers to local government

Provincial government, as part of its Constitutional obligation, supports and strengthens the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions. As a result, departments transfer funds to municipalities for various purposes. This section provides details of departmental transfers to local government, indicating transfers per department and per grant type to each municipality. A summary of this information is given in Table 5.14. Details are given in the *Annexure to OPRE* (Tables 1E and 1.H (i), (ii) and (iii)), and in the detailed departmental information in the *EPRE*.

Table 5.14 provides a summary of provincial transfers to local government by category, as defined in the Constitution. It should be noted that the amounts reflected in these tables are in terms of the provincial financial year running from 1 April to 31 March. The table does not include funding in respect of motor vehicle licences, as this funding is not transferred to any municipality.

Table 5.14 : Summary of provincial transfers to local government by category

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--------------|------------------|------------------|------------------|------------------|--------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation 2014/15 | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Category A | 350 695 | 384 547 | 499 868 | 648 506 | 534 335 | 560 462 | 634 799 | 591 192 | 559 857 |
| Category B | 498 657 | 570 899 | 567 836 | 447 878 | 644 482 | 679 557 | 505 403 | 448 728 | 469 333 |
| Category C | 184 016 | 258 741 | 75 791 | 116 874 | 34 074 | 35 074 | 6 265 | 6 711 | 2 007 |
| Unallocated | - | 132 | 24 | 1 050 | 1 050 | 1 018 | 1 293 | 12 930 | 12 941 |
| Total | 1 033 368 | 1 214 319 | 1 143 519 | 1 214 308 | 1 213 941 | 1 276 111 | 1 147 760 | 1 059 561 | 1 044 138 |

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

Category A (metropolitan council) refers to municipalities that have exclusive municipal executive and legislative authority within their areas. KZN has only one metropolitan council, namely the eThekweni Metro. As indicated in Table 5.14, the transfers to the Metro show a fluctuating trend, and relate to various transfers from DOPW, DAC, COGTA, DOH, DOSR and DOHS in respect of the following:

- Payments of property rates, the Community Library Services grant to assist at local level with the costs of cyber cadets and the acquisition of library material, and the Corridor Development programme.
- The subsidy for primary health care for services provided by local authorities/municipal clinics, the maintenance of R293 hostels, the EEDBS, the provincialisation of libraries and museums, as well as funding for the continuation of the mega-library.
- The increase in 2015/16 is a result of a once-off allocation in respect of the CRU programme, as well as the once-off allocation in respect of the construction of a sports development centre in Durban, in terms of which funds were suspended to 2015/16 due to challenges experienced by the Metro regarding site identification.

Category B (local municipality) refers to a municipality that shares municipal executive and legislative authority with a category C (defined below) municipality within whose area it falls. Departments transfer funds to these municipalities for the following, among others:

- Corridor Development, Massification and the Small Town Rehabilitation programmes.
- To assist clinics with pressures in the treatment of HIV and AIDS, the extension of hours of services and increased neonatal services (in 2011/12 to 2014/15 only).
- The provision for transfers in respect of museums and building of libraries and the provincialisation of public libraries and museums and the payment of property rates.
- The operational support for *Thusong* Service Centres (TSCs) and Community Service Centres (CSCs), the development of a light industrial park at Bhongweni, and CRUs.

Category C (district municipality) refers to municipalities that have municipal executive and legislative authority in an area that includes more than one local municipality. These transfers provide for:

- Corridor development, Massification and the Small Town Rehabilitation programmes.
- Disaster Management.

The amounts against *Unallocated* are usually allocated to specific recipients during the course of the year, and are formalised annually during the Adjustments Estimate. The amounts in the 2014/15 Main Appropriation are in respect of the Greenest Municipality Competition undertaken by DEDTEA's Environmental Affairs component. The transfer in 2015/16 is in respect of anticipated donations to be made by Provincial Treasury to municipalities for school uniforms as part of OSS, Greenest Municipality Competition, as well as property rates. The amounts in 2016/17 and 2017/18 are mainly in respect of the construction of sport facilities and the upkeep of sport facilities constructed by DOSR, as well as the Greenest Municipality Competition.

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

Table 5.15 presents a summary of provincial transfers to local government by vote and grant type from 2011/12 to 2017/18. It should be noted that a detailed analysis of these transfers to local government is provided in the individual votes in the *EPRE*. The main transfers are summarised below the table:

Table 5.15 : Summary of departmental transfers to local government by department and grant type

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Vote 1 : Office of the Premier | - | - | 15 000 | - | - | - | - | - | - |
| 2013 AFCON Tournament | - | - | 15 000 | - | - | - | - | - | - |
| Vote 4 : Economic Dev., Tourism and Enviro. Affairs | 900 | 4 244 | 11 176 | 1 500 | 5 685 | 5 685 | 2 250 | 1 000 | 1 000 |
| Joint Project Funding | - | 2 953 | 2 414 | - | - | - | - | - | - |
| SMME Fair and Exhibition | - | - | - | - | 992 | 992 | - | - | - |
| Inyoni craft centre | - | - | - | - | - | - | - | - | - |
| Beaches Rehabilitation | - | - | 3 400 | - | 900 | 900 | 1 000 | - | - |
| Dundee July event | - | - | 479 | 500 | 500 | 500 | 250 | - | - |
| Sakhisizwe Manag. Agency | - | 981 | - | - | - | - | - | - | - |
| Richards Bay Breakfast | - | 310 | 100 | - | - | - | - | - | - |
| Drakensberg Cable Car | - | - | 4 183 | - | 1 793 | 1 793 | - | - | - |
| Tourism Route Strategy | - | - | - | - | 500 | 500 | - | - | - |
| Greenest Munic. Comp | 900 | - | 600 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 |
| Vote 6 : Provincial Treasury | 31 264 | 28 012 | 21 970 | 13 500 | 32 098 | 32 055 | 10 295 | 220 | 231 |
| Donations | - | - | 885 | - | 215 | 172 | 233 | 220 | 231 |
| Pietermaritzburg airport | 17 790 | 574 | 16 186 | - | - | - | - | - | - |
| Prince Mangosuthu Buthelezi airport | 10 015 | 19 661 | 596 | - | - | - | - | - | - |
| Richards Bay airport | 3 459 | 7 777 | - | - | - | - | - | - | - |
| Margate airport | - | - | 2 009 | - | - | - | - | - | - |
| Shayamoya eco-complex | - | - | 615 | - | 13 062 | 13 062 | 2 062 | - | - |
| Development of light industrial park | - | - | 1 679 | 8 000 | 13 321 | 13 321 | 8 000 | - | - |
| Msunduzi electricity-related dev | - | - | - | 5 500 | 5 500 | 5 500 | - | - | - |
| Vote 7 : Health | 86 040 | 22 893 | 74 736 | 132 600 | 152 609 | 180 115 | 105 000 | 111 048 | 115 000 |
| Subsidy: Municipal clinics | 86 040 | 22 893 | 74 736 | 132 600 | 152 609 | 180 115 | 105 000 | 111 048 | 115 000 |
| Vote 8 : Human Settlements | - | 115 000 | 40 384 | 102 070 | 44 261 | 57 468 | 148 400 | 110 820 | 53 869 |
| Accreditation of municipalities | - | - | 40 384 | 36 689 | 44 261 | 57 468 | 48 400 | 50 820 | 53 869 |
| CRU programme | - | 115 000 | - | - | - | - | 100 000 | 60 000 | - |
| Municipal rates and taxes | - | - | - | 14 500 | - | - | - | - | - |
| Maintenance of R293 hostels | - | - | - | 50 881 | - | - | - | - | - |
| Vote 11 : COGTA | 348 161 | 444 444 | 232 074 | 155 877 | 249 160 | 256 160 | 61 656 | 4 800 | - |
| Pounds Act | - | - | - | - | 1 000 | 1 000 | - | - | - |
| Public Part. Citizen Satisf. Survey | - | 2 260 | 1 500 | - | - | - | - | - | - |
| Municipal Excellence awards | - | 3 000 | 2 000 | - | 5 000 | 5 000 | - | - | - |
| Schemes Support programme | - | - | - | 2 705 | 2 705 | 2 705 | - | - | - |
| Corridor Development | 96 447 | 111 300 | 82 843 | 58 500 | 60 000 | 60 000 | - | - | - |
| Small Town Rehabilitation programme | 74 220 | 125 545 | 77 654 | 26 300 | 85 000 | 85 000 | - | - | - |
| Construction of TSCs and CSCs | 6 000 | - | - | - | - | 5 000 | 7 500 | - | - |
| Operational Support for TSCs | 5 000 | 1 600 | 250 | 5 250 | 5 250 | 5 250 | - | - | - |
| Massification programme | 102 033 | 145 800 | 54 827 | 31 372 | 79 455 | 79 455 | 49 956 | - | - |
| uMhlathuze Water | - | - | - | 21 000 | - | - | - | - | - |
| Disaster Management | 3 000 | 17 740 | 8 000 | 5 000 | 5 000 | 7 000 | - | - | - |
| Community participation in IDPs | - | 2 000 | 2 000 | - | - | - | - | - | - |
| Development Planning and Shared Services | 5 461 | 2 000 | 2 000 | 4 750 | 4 750 | 4 750 | 4 200 | 4 800 | - |
| Sustainable Living Exhibition | - | - | 1 000 | 1 000 | 1 000 | 1 000 | - | - | - |
| Various | 56 000 | 33 199 | - | - | - | - | - | - | - |
| Vote 13 : Social Development | - | 35 000 | - | - | - | - | - | - | - |
| ECD infrastructure development | - | 35 000 | - | - | - | - | - | - | - |
| Vote 14 : Public Works | 492 767 | 395 743 | 466 799 | 484 955 | 484 955 | 499 455 | 507 062 | 533 931 | 561 873 |
| Property rates | 492 767 | 395 743 | 466 799 | 484 955 | 484 955 | 499 455 | 507 062 | 533 931 | 561 873 |
| Vote 15 : Arts and Culture | 56 012 | 150 383 | 259 915 | 271 606 | 222 973 | 222 973 | 271 447 | 286 092 | 300 515 |
| Museum subsidies | 7 168 | 10 049 | 9 593 | 10 634 | 8 181 | 8 181 | 7 935 | 8 382 | 8 825 |
| Provincialisation of libraries | 31 110 | 116 004 | 225 111 | 234 360 | 198 182 | 198 182 | 212 586 | 225 691 | 238 519 |
| Community Libr Services grant | 17 334 | 22 769 | 23 572 | 24 883 | 14 881 | 14 881 | 49 111 | 50 108 | 51 164 |
| Art Centre (Operational costs) | 400 | 1 561 | 1 639 | 1 729 | 1 729 | 1 729 | 1 815 | 1 911 | 2 007 |
| Vote 16 : Sport and Recreation | 18 224 | 18 600 | 21 465 | 52 200 | 22 200 | 22 200 | 41 650 | 11 650 | 11 650 |
| Infrastructure | 14 924 | 13 650 | 18 165 | 48 900 | 18 900 | 18 900 | 40 000 | 10 000 | 10 000 |
| Maintenance grant | 3 300 | 4 950 | 3 300 | 3 300 | 3 300 | 3 300 | 1 650 | 1 650 | 1 650 |
| Total | 1 033 368 | 1 214 319 | 1 143 519 | 1 214 308 | 1 213 941 | 1 276 111 | 1 147 760 | 1 059 561 | 1 044 138 |

- The significant transfers under DEDTEA included Joint Project Funding, the revitalisation of Alkantstrand Beach (uMhlathuze) and rehabilitation of South Port Beach (Hibiscus Coast), as well as the Drakensberg cable car. Also included are transfers toward the SMME Fair and Exhibition, the Greenest Municipality Competition and the Dundee July (horse racing event).
- The transfers under Provincial Treasury are mainly in respect of various upgrades of airports, i.e. the Pietermaritzburg, Richards Bay, Prince Mangosuthu Buthelezi and Margate airports. In addition, funds were transferred in respect of the development of a light industrial park in Bhongweni, as well

as the Shayamoya eco-complex. There is also a once-off allocation in 2014/15 in respect of Msunduzi electricity-related developments.

- The transfers under DOH show a varying trend, due to the provincialisation of the municipal clinics. The majority of the municipal clinics were taken over by the department in 2011/12. The increases from 2013/14 onward are largely due to the commitment to assist clinics with pressures in the treatment of HIV and AIDS, the extension of hours of services, as well as to cater for an increase in neonatal services. The increase in the 2014/15 Revised Estimate mainly relates to the department's decision to provide additional funding to meet the health funding requirements of the clinics in the Metro. The 2015/16 MTEF provides only for transfers to eThekweni.
- The transfers under DOHS relate mainly to the maintenance of R293 hostels in eThekweni, the CRU programme and the payment of arrear rates and taxes. Provision is also made for the accreditation of municipalities, as well as municipal rates and taxes.
- The significant transfers made by COGTA relate to Umzimkulu Support, as well as projects such as Corridor Development, Massification, Small Town Rehabilitation, among others.
- The transfer under DSD relates to a once-off transfer made to Umkhanyakude District Municipality for the Ndumo Learner Support Centre in respect of ECD infrastructure development.
- The transfers under DOPW relate to the Devolution of Property Rate Funds grant in respect of property rates.
- The transfers under DAC reflect provision made to municipalities for museum subsidies, provincialisation of public libraries, Community Library Services grant and the operational costs of the art centres, among others.
- The transfers under DOSR are mainly in respect of the construction of sport facilities, and reflect a varying trend over the seven-year period.

5.7 Personnel numbers and costs

Table 5.16 provides personnel numbers, by vote, as well as the total personnel costs for KZN.

The personnel numbers of OTP do not include youth ambassadors from 2014/15 onward due to the department's decision not to continue with the Youth Ambassadors programme, which accounts for the decrease in personnel numbers. However, the permanent personnel numbers increase as a result of the organisational increase of the department, as well as the amalgamation of Vote 1 and 10.

Table 5.16 : Summary of personnel numbers and costs by vote

| 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. Office of the Premier | 1 870 | 3 457 | 2 401 | 471 | 522 | 586 | 655 |
| 2. Provincial Legislature | 216 | 259 | 253 | 223 | 223 | 225 | 227 |
| 3. Agriculture and Rural Development | 3 854 | 3 449 | 3 370 | 3 796 | 3 719 | 3 719 | 3 719 |
| 4. Economic Development, Tourism and Enviro Affairs | 518 | 567 | 627 | 687 | 726 | 745 | 759 |
| 5. Education | 106 454 | 105 071 | 107 433 | 107 433 | 107 433 | 107 433 | 107 433 |
| 6. Provincial Treasury | 421 | 525 | 569 | 532 | 580 | 580 | 580 |
| 7. Health | 77 627 | 74 726 | 84 606 | 83 192 | 83 192 | 83 192 | 83 192 |
| 8. Human Settlements | 740 | 734 | 772 | 764 | 874 | 889 | 889 |
| 9. Community Safety and Liaison | 121 | 126 | 143 | 184 | 220 | 220 | 220 |
| 10. The Royal Household (moved to OTP) | - | - | - | - | - | - | - |
| 11. Co-operative Governance and Traditional Affairs | 1 332 | 1 482 | 1 659 | 1 664 | 1 716 | 1 706 | 1 706 |
| 12. Transport | 4 154 | 4 023 | 3 880 | 4 675 | 4 761 | 4 761 | 4 761 |
| 13. Social Development | 3 108 | 6 082 | 7 421 | 9 250 | 10 396 | 10 505 | 10 505 |
| 14. Public Works | 2 078 | 2 062 | 2 060 | 1 982 | 2 034 | 2 093 | 2 093 |
| 15. Arts and Culture | 458 | 465 | 527 | 623 | 642 | 642 | 642 |
| 16. Sport and Recreation | 1 932 | 1 586 | 1 493 | 1 371 | 1 318 | 431 | 431 |
| Total | 204 883 | 204 614 | 217 214 | 216 847 | 218 356 | 217 727 | 217 812 |
| Total personnel cost (R thousand) | 45 550 938 | 49 255 854 | 54 022 777 | 58 375 627 | 62 289 398 | 66 266 216 | 70 235 446 |
| Unit cost (R thousand) | 222 | 241 | 249 | 269 | 285 | 304 | 322 |

DARD reviewed its organisational structure following the new mandate of the department, whereby functions of environmental affairs and conservation were removed, and rural development was added. Personnel numbers from 2015/16 onward are based on the proposed organisational structure that is expected to be finalised before 1 April 2015.

With respect to DOE, the budget reprioritisation which started in 2014/15 yielded some results in terms of ensuring that the *Compensation of employees* budget fully funds the employees on the establishment. This means that the department may be able to fill positions as they become vacant during the year.

DOH's high staff number in March 2012/13 is largely due to the department placing student nurses and CCGs on the pay-roll.

DOT's personnel numbers increase over the period under review. The review of the organisational structure was completed in February 2012, and critical vacant posts are being filled over the MTEF, in line with the moratorium on the filling of non-critical posts.

The personnel numbers of DSD show a substantial increase over the seven-year period, attributable to the revision of the departmental structure in an attempt to cope with policy changes such as the implementation of the district management model to improve service delivery. The increase also relates to the absorption of social work graduates.

For DOSR, the total personnel numbers decrease from 31 March 2012 to 31 March 2015 mainly as a result of resignations, as well as the decrease in volunteers employed as a result of NDOSR's directive to minimise the use of volunteers by training teachers. The contract term of most contract workers ends in October 2015, hence the decrease reflected against contract workers from 2016/17 onward.

5.8 Information on training

Table 5.17 below provides a summary of the amounts spent by department on training.

DOH caters for medical interns, nurses, emergency medical rescue and ambulance personnel and skills development for all occupational categories. The department has several training programmes aimed at developing and retaining skills. These include training at Nursing Colleges, the Cuban Doctors' programme, as well as registrar training programmes in respect of specialist medical training.

Table 5.17 : Summary of provincial payments and estimates on training by vote

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Office of the Premier | 953 | 28 548 | 3 125 | 6 821 | 5 916 | 5 916 | 7 791 | 7 401 | 7 772 |
| 2. Provincial Legislature | 3 362 | 3 576 | 4 484 | 3 937 | 3 937 | 3 647 | 5 084 | 3 964 | 4 163 |
| 3. Agriculture and Rural Development | 13 584 | 11 939 | 10 430 | 17 541 | 17 415 | 17 415 | 14 742 | 15 183 | 16 093 |
| 4. Economic Development, Tourism and Enviro Affairs | 15 116 | 15 174 | 2 258 | 4 942 | 4 957 | 4 622 | 3 917 | 4 126 | 4 341 |
| 5. Education | 53 548 | 71 976 | 53 837 | 163 502 | 163 502 | 106 981 | 189 579 | 201 492 | 214 655 |
| 6. Provincial Treasury | 2 085 | 1 572 | 2 022 | 2 545 | 2 545 | 2 639 | 2 564 | 2 621 | 2 756 |
| 7. Health | 860 457 | 901 968 | 1 012 752 | 1 051 400 | 1 051 400 | 1 051 400 | 1 104 853 | 1 163 410 | 1 221 581 |
| 8. Human Settlements | 249 | 437 | 861 | 2 877 | 1 433 | 1 429 | 3 390 | 3 566 | 3 792 |
| 9. Community Safety and Liaison | 2 674 | 884 | 12 385 | 4 820 | 5 830 | 5 855 | 4 520 | 4 613 | 4 732 |
| 10. The Royal Household (moved to OTP) | - | - | - | - | - | - | - | - | - |
| 11. Co-operative Governance and Traditional Affairs | 882 | 1 783 | 1 300 | 1 835 | 1 568 | 1 628 | 2 600 | 2 700 | 2 800 |
| 12. Transport | 6 448 | 8 151 | 8 296 | 7 638 | 6 342 | 5 387 | 6 660 | 6 660 | 6 660 |
| 13. Social Development | 3 999 | 4 344 | 2 653 | 7 118 | 10 118 | 3 249 | 7 098 | 8 300 | 8 715 |
| 14. Public Works | 2 766 | 4 788 | 3 868 | 8 376 | 4 932 | 3 663 | 6 465 | 6 840 | 7 191 |
| 15. Arts and Culture | 864 | 890 | 2 256 | 1 000 | 1 016 | 1 016 | 3 404 | 3 907 | 4 214 |
| 16. Sport and Recreation | 6 419 | 3 442 | 3 204 | 4 928 | 4 428 | 4 428 | 7 043 | 8 352 | 8 553 |
| Total | 973 406 | 1 059 472 | 1 123 731 | 1 289 280 | 1 285 339 | 1 219 275 | 1 369 710 | 1 443 135 | 1 518 017 |

With regard to DEDTEA, the bulk of the training budget caters for external bursaries for the Post-graduate Diploma and Masters in LED courses, and Diplomas in Co-operative Management.

DOE's training costs fluctuate and this is attributable to continued implementation of financial controls. The peak in 2012/13 is due to the training offered as a result of the changes in the curriculum. The steady

increase over the 2015/16 MTEF will address the educators' skills gaps and improve the quality of education, through the availability of the in-service training centre.

DOT's costs on training relate to the Traffic Training College and the Technical Training Centre. The training is also in respect of *Zimbabwe* contractors relating to maintenance of the provincial roads, and learnerships and mentorship for the *Vukuzakhe* projects.

Spending on training against DOSR relates to training provided to the hub co-ordinators in respect of the various clusters in the MPSD grant. The spending in 2012/13 is due to NDOSR's directive to train teachers as implementers of the programme. The increase over the MTEF relates to the training that will be conducted to capacitate educators to being coaches, as well as the department's employees as part of the implementation of the new organisational structure.

Table 5.18 provides the number of staff affected by the various training programmes and initiatives, at a provincially aggregated level. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

Table 5.18 : Information on training

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Number of staff | 204 883 | 204 614 | 217 214 | 217 544 | 216 847 | 216 847 | 218 356 | 217 727 | 217 812 |
| Number of personnel trained | 22 694 | 33 878 | 21 116 | 128 161 | 128 136 | 52 025 | 57 588 | 60 867 | 65 342 |
| of which | | | | | | | | | |
| Male | 7 762 | 10 622 | 7 611 | 47 142 | 47 142 | 25 953 | 27 576 | 29 622 | 31 533 |
| Female | 14 932 | 23 256 | 13 505 | 81 019 | 80 994 | 26 072 | 30 012 | 31 245 | 33 809 |
| Number of training opportunities | 19 021 | 18 581 | 17 888 | 54 456 | 54 464 | 53 828 | 66 394 | 67 046 | 69 824 |
| of which | | | | | | | | | |
| Tertiary | 1 970 | 2 126 | 2 370 | 4 782 | 4 780 | 4 799 | 5 273 | 5 307 | 5 562 |
| Workshops | 3 911 | 3 760 | 3 613 | 4 756 | 4 751 | 4 721 | 4 896 | 5 427 | 5 535 |
| Seminars | 286 | 418 | 371 | 506 | 503 | 496 | 667 | 701 | 745 |
| Other | 12 854 | 12 277 | 11 534 | 44 412 | 44 430 | 43 812 | 55 558 | 55 611 | 57 982 |
| Number of bursaries offered | 1 780 | 1 601 | 2 405 | 17 950 | 17 927 | 17 921 | 8 632 | 9 764 | 10 904 |
| Number of interns appointed | 986 | 1 108 | 873 | 1 330 | 1 327 | 1 300 | 1 214 | 1 280 | 1 364 |
| Number of learnerships appointed | 526 | 290 | 522 | 468 | 466 | 465 | 556 | 557 | 581 |
| Number of days spent on training | 8 282 | 8 655 | 8 425 | 8 463 | 8 488 | 8 249 | 8 519 | 8 960 | 9 275 |

6. MEASURING PERFORMANCE IN GOVERNMENT

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

6.1 Provincial budget and programme structures and performance plan formats

The uniform budget and programme structures for departments are gazetted each year, as National Treasury fulfills its Constitutional obligation and that of the PFMA to propose uniform budget and programme structures across all nine provinces for approval by the HODs and subsequent political endorsement. The collectively agreed uniform budget and programme structures are a joint project, involving the relevant provincial and national line function departments, with National and Provincial treasuries. The agreed uniform budget and programme structures and the development of customised quarterly and annual performance measures, for most sectors, are significant steps toward improving the alignment of planning and budgeting on the one hand, and ensuring uniform reporting and greater comparability of efficiency, effectiveness and value for money between provinces on the other hand.

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

Uniform budget and programme structures for 2015/16 are applicable to DOE, DOH, DSD, Provincial Treasury, Provincial Legislature, OTP, DARD, DOHS, DCSL, DEDTEA, COGTA, DOSR, DAC, DOPW and DOT. The budget and programme structures for these remain unchanged, except for the Rural Development part of DARD, as well as DOE and DCSL. Note that the only department with no current uniform budget and programme structure, namely DRH is, as per Presidential proclamation, no longer a department, but merged with OTP. Note also that OTP, Provincial Treasury and DOPW do not fully comply with the uniform budget and programme structure at this stage, and discussions with National Treasury in this regard are ongoing.

Formats for Strategic Plans (SPs) and Annual Performance Plans (APPs) were previously issued annually and prescribed by National Treasury. This has now changed, with the National Department of Performance Monitoring and Evaluation (DPME) taking on this responsibility. For the 2015/16 MTEF, the guidelines promulgated by National Treasury remain in effect until DPME promulgate amended guidelines. The collectively agreed uniform budget and programme structures form the basis for inputs into departmental strategic and performance plans, as they relate to programme performance.

The framework provides a guide on how SPs and APPs should be developed, taking into consideration existing medium to long-term policies, plans and the budget. The SP is a tool intended to assist departments and public entities to prioritise and plan the progressive implementation of other plans. Departments' SPs and APPs should be developed in line with the framework and it is important for departments and public entities to ensure that their budget plans are linked to different types of medium and long-term plans (e.g. the NDP and PGDP), and this should specifically be reflected in the APPs. The focus is on activity-based costing, as a link is provided between budget and performance targets. In addition, from 2014/15 in KZN, the preparation of SPs and APPs was done in alignment with the PGDP, and the co-ordination of this alignment has been a joint responsibility between the Provincial Planning Commission, the OTP and Provincial Treasury, with the OTP assuming full responsibility from 2015/16.

The DOE, DOH, DSD, DARD, DOT, DOPW, DCSL, and DOSR report on standardised sector-specific performance measures for 2015/16. These measures have to be included, as a minimum, in the departments' APPs. The service delivery measures, as prescribed by the sector, are included in the *EPRE*, under the sections in the departmental chapters dealing with service delivery measures per programme. The intention of including such information in the budget is to improve transparency, and provide a basis for holding the provincial government accountable for its use of public resources. Note that there have

been some changes made to the sector-specific performance measures in 2015/16 in DOE, DOH, DSD, DCSL, DEDT, DARD, DOT, DOSR and DOPW.

The Provincial Legislature, Provincial Treasury, OTP, DOHS, COGTA and DAC will not report on customised performance measures in 2015/16 as there are no customised measures at this stage. However, the measures contained in these departments' APPs must be reported on.

6.2 Quarterly performance reporting (QPR)

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

DPME is now the lead department in this regard. SPs and APPs provide a basis for evaluating the organisational performance of public institutions. The QPR provides for monitoring the overall progress made with the implementation of the departments' performance plan, both on a quarterly and an annual basis, with particular reference to monitoring delivery against quarterly performance targets. The report provides the Executive Authority, DPME, National Treasury, OTPs and Provincial Treasuries with information on performance against plans, and acts as an enabling mechanism that allows the accounting officer to track progress against what has been planned and what is actually achieved in the form of service delivery outputs. The information contained in the QPR is ultimately consolidated into the performance section of the departments' annual reports. The quarterly performance reports for the second and third quarters provide information on the present year's performance to be taken into consideration in the development of the APP and annual budget for the following year. From 2013/14, the QPR data for DOH, DSD and DARD is published in a national gazette quarterly. The QPR data for the remaining sectors is currently published quarterly by Provincial Treasury on its website, and this will be done by OTP from 2015/16.

6.3 Performance audit of non-financial measures

During 2011/12, the A-G conducted a performance audit of a number of departments' and public entities' non-financial measures in order to determine the state of readiness of the province to comply with audit standards. Since then, the A-G has provided an opinion on non-financial, as well as financial records for each department and public entity as part of the annual audit process, and this will be continued in the 2014/15 audit. Part of the findings was that many of the measures did not meet the SMART principles, namely being specific, measurable, attainable, realistic and timely. Departments and public entities are encouraged to revisit all their measures (even sectoral measures) to ensure that they comply, in order to avoid negative audit opinions going forward.

Another area that was found to be weak was the amount of technical support provided by oversight departments such as Provincial Treasury and OTP. This was addressed with additional workshops for strategic planning and monitoring and evaluation staff within departments and public entities. From 2015/16 onward, this function will fall under OTP with a new component dedicated to co-ordinating the planning and monitoring functions within the province, supported by Provincial Treasury.

ANNEXURE – OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE

Table 1.A : Details of provincial own receipts

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| | | | | | 2014/15 | | | | |
| Tax receipts | 1 637 846 | 1 771 278 | 1 889 687 | 1 998 720 | 1 998 720 | 2 005 850 | 2 149 313 | 2 293 713 | 2 400 822 |
| Casino taxes | 337 435 | 383 056 | 421 355 | 490 803 | 490 803 | 457 046 | 556 890 | 630 869 | 668 721 |
| Horse racing taxes | 68 422 | 64 674 | 66 899 | 81 902 | 81 902 | 74 562 | 91 337 | 101 859 | 107 971 |
| Liquor licences | 465 | 4 927 | 5 110 | 6 015 | 6 015 | 21 609 | 20 086 | 20 745 | 22 280 |
| Motor vehicle licences | 1 231 524 | 1 318 621 | 1 396 323 | 1 420 000 | 1 420 000 | 1 452 633 | 1 481 000 | 1 540 240 | 1 601 850 |
| Sale of goods and services other than capital asset | 383 949 | 405 979 | 447 676 | 420 744 | 420 744 | 423 632 | 449 170 | 475 371 | 499 826 |
| Sale of goods and services produced by dept. (excl. capital assets) | 382 888 | 405 407 | 447 021 | 419 881 | 419 881 | 422 729 | 448 298 | 474 455 | 498 865 |
| Sales by market establishments | 31 217 | 38 608 | 25 944 | 32 702 | 32 702 | 40 996 | 42 402 | 44 425 | 46 608 |
| Administrative fees | 37 967 | 41 144 | 54 954 | 50 562 | 50 562 | 159 790 | 169 623 | 180 945 | 190 406 |
| Other sales | 313 704 | 325 655 | 366 123 | 336 617 | 336 617 | 221 943 | 236 273 | 249 086 | 261 851 |
| <i>of which</i> | | | | | | | | | |
| <i>Health patient fees</i> | 105 083 | 117 991 | 149 838 | 127 338 | 127 338 | 127 704 | 135 515 | 142 855 | 150 207 |
| <i>Other</i> | 10 734 | 11 828 | 1 864 | 12 965 | 12 965 | 12 963 | 13 446 | 14 158 | 14 871 |
| Sale of scrap, waste, arms and other used current goods (excluding capital assets) | 1 061 | 572 | 655 | 863 | 863 | 903 | 872 | 916 | 962 |
| Transfers received from: | 459 | 1 060 | - | - | - | - | - | - | - |
| Other governmental units | 409 | 1 000 | - | - | - | - | - | - | - |
| Universities and technikons | - | - | - | - | - | - | - | - | - |
| Foreign governments | - | - | - | - | - | - | - | - | - |
| International organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 50 | 60 | - | - | - | - | - | - | - |
| Households and non-profit institutions | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | 45 352 | 51 125 | 39 547 | 25 617 | 25 617 | 37 220 | 38 681 | 40 591 | 42 621 |
| Interest, dividends and rent on land | 303 685 | 274 118 | 262 853 | 267 419 | 267 419 | 293 775 | 284 874 | 303 375 | 318 554 |
| Interest | 303 163 | 273 738 | 262 546 | 267 157 | 267 157 | 293 570 | 284 650 | 303 138 | 318 299 |
| Dividends | 354 | 293 | 202 | 164 | 164 | 23 | 28 | 28 | 31 |
| Rent on land | 168 | 87 | 105 | 98 | 98 | 182 | 196 | 208 | 225 |
| Sale of capital assets | 18 109 | 44 100 | 31 147 | 19 516 | 19 516 | 37 210 | 18 760 | 19 535 | 20 877 |
| Land and subsoil assets | - | 18 109 | 9 607 | 10 000 | 10 000 | 10 000 | 10 000 | 10 530 | 11 057 |
| Other capital assets | 18 109 | 25 991 | 21 540 | 9 516 | 9 516 | 27 210 | 8 760 | 9 005 | 9 821 |
| Transactions in financial assets and liabilities | 337 559 | 94 821 | 101 336 | 51 628 | 51 628 | 78 375 | 54 348 | 56 770 | 59 673 |
| Total | 2 726 959 | 2 642 481 | 2 772 246 | 2 783 644 | 2 783 644 | 2 876 062 | 2 995 146 | 3 189 356 | 3 342 373 |

Overview of Provincial Revenue and Expenditure

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

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation 2014/15 | Revised Estimate | Medium-term Estimates | | |
|---|-------------------|-------------------|-------------------|--------------------|--------------------------------|-------------------|-----------------------|--------------------|--------------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 61 381 940 | 66 262 945 | 71 893 964 | 77 052 013 | 77 459 324 | 77 092 154 | 82 943 692 | 87 770 783 | 92 898 593 |
| Compensation of employees | 45 550 938 | 49 255 854 | 54 022 777 | 57 824 709 | 58 375 627 | 58 218 824 | 62 289 398 | 66 266 216 | 70 235 446 |
| Salaries and wages | 37 791 252 | 42 569 040 | 44 901 210 | 47 653 099 | 48 018 366 | 54 656 453 | 51 296 855 | 54 645 133 | 58 034 278 |
| Social contributions | 7 759 686 | 6 686 814 | 9 121 567 | 10 171 610 | 10 357 261 | 3 562 371 | 10 992 543 | 11 621 083 | 12 201 168 |
| Goods and services | 15 829 439 | 17 006 408 | 17 864 641 | 19 219 536 | 19 082 692 | 18 869 970 | 20 644 062 | 21 493 793 | 22 651 835 |
| Administrative fees | 36 732 | 26 012 | 35 330 | 19 961 | 20 973 | 42 857 | 36 067 | 37 051 | 40 008 |
| Advertising | 144 136 | 148 083 | 194 433 | 145 725 | 132 353 | 117 953 | 148 168 | 151 750 | 158 929 |
| Minor assets | 218 283 | 271 041 | 110 120 | 221 863 | 222 366 | 208 514 | 162 502 | 177 167 | 190 574 |
| Audit cost: External | 67 671 | 62 982 | 87 220 | 73 670 | 84 985 | 84 326 | 74 917 | 79 064 | 82 488 |
| Bursaries: Employees | 28 886 | 38 447 | 73 031 | 24 684 | 24 181 | 49 060 | 123 431 | 139 495 | 155 629 |
| Catering: Departmental activities | 134 306 | 133 734 | 146 986 | 148 302 | 174 375 | 146 685 | 134 913 | 136 032 | 139 163 |
| Communication (G&S) | 264 739 | 292 635 | 309 156 | 265 803 | 289 952 | 303 852 | 279 174 | 290 768 | 298 958 |
| Computer services | 435 359 | 474 738 | 546 928 | 551 267 | 565 400 | 495 793 | 612 455 | 657 250 | 708 309 |
| Cons & prof serv: Business and advisory services | 586 961 | 734 212 | 864 071 | 1 049 134 | 936 860 | 965 422 | 1 084 483 | 1 160 895 | 1 200 698 |
| Cons & prof serv: Infras and planning | 102 596 | 179 161 | 226 676 | 307 950 | 283 044 | 272 638 | 222 435 | 227 445 | 216 892 |
| Cons & prof serv: Laboratory services | 568 743 | 539 951 | 587 884 | 709 811 | 709 525 | 625 276 | 939 611 | 1 083 697 | 1 161 722 |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | 9 660 | - | - | - |
| Cons & prof serv: Legal costs | 64 045 | 49 258 | 70 116 | 51 610 | 53 980 | 60 852 | 65 364 | 54 969 | 56 813 |
| Contractors | 1 696 006 | 1 698 979 | 1 938 528 | 2 491 419 | 2 112 404 | 1 999 033 | 2 325 152 | 2 387 317 | 2 539 264 |
| Agency and support / outsourced services | 2 376 101 | 2 288 759 | 2 425 637 | 2 389 011 | 2 461 313 | 2 720 296 | 2 514 595 | 2 580 343 | 2 772 427 |
| Entertainment | 2 374 | 819 | 2 567 | 4 676 | 4 097 | 1 993 | 2 875 | 3 707 | 3 898 |
| Fleet services (incl. govt motor transport) | 210 170 | 382 111 | 356 477 | 382 690 | 414 827 | 478 880 | 493 045 | 514 725 | 530 346 |
| Housing | 36 | - | 8 006 | 50 | 70 | 50 | 36 | 38 | 40 |
| Inventory: Clothing material and accessories | - | - | 14 496 | 2 152 | 10 019 | 20 904 | 24 752 | 25 487 | 26 462 |
| Inventory: Farming supplies | - | - | 147 592 | 79 589 | 142 078 | 142 280 | 145 897 | 129 389 | 133 328 |
| Inventory: Food and food supplies | 143 299 | 121 000 | 119 026 | 198 476 | 200 155 | 131 048 | 135 454 | 141 489 | 148 188 |
| Inventory: Fuel, oil and gas | 271 608 | 260 325 | 308 392 | 250 836 | 189 387 | 159 655 | 167 949 | 175 672 | 183 618 |
| Inventory: Learner and teacher support material | 605 263 | 490 941 | 492 090 | 723 296 | 761 719 | 484 444 | 656 920 | 562 680 | 524 627 |
| Inventory: Materials and supplies | 63 113 | 109 679 | 118 571 | 90 435 | 136 705 | 127 682 | 156 365 | 157 214 | 156 138 |
| Inventory: Medical supplies | 1 207 823 | 1 285 569 | 1 340 288 | 1 349 894 | 1 362 973 | 1 400 185 | 1 558 744 | 1 582 721 | 1 688 890 |
| Inventory: Medicine | 1 879 789 | 2 363 384 | 2 542 498 | 2 736 619 | 2 748 685 | 2 586 885 | 3 013 270 | 3 349 524 | 3 586 886 |
| Medisas inventory interface | - | - | - | - | - | 3 | - | - | - |
| Inventory: Other supplies | - | 60 697 | 53 308 | 1 500 | 2 676 | 30 106 | 185 289 | 189 930 | 197 237 |
| Consumable supplies | 550 902 | 528 892 | 313 124 | 521 594 | 393 739 | 393 944 | 425 957 | 428 867 | 439 233 |
| Consumable: Stationery, printing and office supplies | 247 558 | 252 421 | 227 587 | 262 780 | 255 136 | 231 222 | 239 808 | 212 181 | 207 465 |
| Operating leases | 334 086 | 635 960 | 391 359 | 410 193 | 463 214 | 451 902 | 510 659 | 489 611 | 515 318 |
| Property payments | 1 565 658 | 1 655 274 | 1 828 463 | 1 511 742 | 1 651 954 | 1 845 150 | 1 825 902 | 1 975 660 | 2 006 584 |
| Transport provided: Departmental activity | 140 224 | 184 102 | 268 130 | 317 195 | 335 821 | 352 142 | 416 674 | 430 066 | 451 499 |
| Travel and subsistence | 764 342 | 762 310 | 829 306 | 705 892 | 708 729 | 806 052 | 828 751 | 779 733 | 799 802 |
| Training and development | 117 349 | 190 545 | 123 043 | 274 744 | 357 707 | 216 122 | 245 952 | 323 708 | 395 513 |
| Operating payments | 228 064 | 200 170 | 162 762 | 195 043 | 199 437 | 213 312 | 293 760 | 280 615 | 297 136 |
| Venues and facilities | 224 528 | 199 173 | 201 397 | 151 721 | 198 937 | 205 157 | 137 157 | 152 121 | 155 596 |
| Rental and hiring | 548 690 | 385 044 | 400 044 | 598 209 | 472 916 | 489 035 | 455 579 | 425 412 | 482 157 |
| Interest and rent on land | 1 563 | 683 | 6 547 | 7 768 | 1 005 | 3 360 | 10 232 | 10 774 | 11 313 |
| Interest | 1 509 | 626 | 6 148 | 7 768 | 1 005 | 3 318 | 10 232 | 10 774 | 11 313 |
| Rent on land | 54 | 57 | 399 | - | - | 42 | - | - | - |
| Transfers and subsidies to | 9 072 353 | 9 749 034 | 11 420 033 | 10 884 317 | 11 309 878 | 11 553 157 | 11 049 595 | 11 368 459 | 11 955 060 |
| Provinces and municipalities | 1 074 755 | 1 204 335 | 1 139 927 | 1 225 106 | 1 228 356 | 1 290 360 | 1 161 263 | 1 073 821 | 1 059 049 |
| Provinces | 6 377 | 10 016 | 11 408 | 10 798 | 14 415 | 14 245 | 13 503 | 14 260 | 14 911 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 6 377 | 10 016 | 11 408 | 10 798 | 14 415 | 14 245 | 13 503 | 14 260 | 14 911 |
| Municipalities | 1 068 378 | 1 194 319 | 1 128 519 | 1 214 308 | 1 213 941 | 1 276 115 | 1 147 760 | 1 059 561 | 1 044 138 |
| Municipalities | 1 033 368 | 1 175 075 | 1 117 233 | 1 213 808 | 1 210 033 | 1 272 246 | 1 146 277 | 1 059 341 | 1 043 907 |
| Municipal agencies and funds | 35 010 | 19 244 | 11 286 | 500 | 3 908 | 3 869 | 1 483 | 220 | 231 |
| Departmental agencies and accounts | 1 549 676 | 1 824 193 | 1 847 649 | 1 892 288 | 1 921 034 | 1 924 206 | 2 042 536 | 2 168 148 | 2 265 481 |
| Social security funds | 512 | 1 | 7 | 134 | 134 | 30 | 101 | 102 | 75 |
| Entities receiving funds | 1 549 164 | 1 824 192 | 1 847 642 | 1 892 154 | 1 920 900 | 1 924 176 | 2 042 435 | 2 168 046 | 2 265 406 |
| Higher education institutions | - | 57 | 501 | - | 250 | 266 | - | - | - |
| Foreign governments and international organisations | 173 | 233 | 221 | 198 | 198 | 255 | 207 | 217 | 228 |
| Public corporations and private enterprises | 1 160 670 | 1 212 552 | 1 394 552 | 1 243 730 | 1 616 316 | 1 611 595 | 1 403 882 | 1 407 125 | 1 481 531 |
| Public corporations | 1 101 034 | 1 127 946 | 1 281 717 | 1 174 535 | 1 391 181 | 1 386 511 | 1 279 609 | 1 331 191 | 1 401 801 |
| Subsidies on production | 773 473 | 808 877 | 914 416 | 904 783 | 996 829 | 996 829 | 1 058 000 | 1 121 452 | 1 188 775 |
| Other transfers | 327 561 | 319 069 | 367 301 | 269 752 | 394 352 | 389 682 | 221 609 | 209 739 | 213 026 |
| Private enterprises | 59 636 | 84 606 | 112 835 | 69 195 | 225 135 | 225 084 | 124 273 | 75 934 | 79 730 |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | 59 636 | 84 606 | 112 835 | 69 195 | 225 135 | 225 084 | 124 273 | 75 934 | 79 730 |
| Non-profit institutions | 2 332 067 | 2 489 288 | 3 325 237 | 3 121 422 | 3 068 567 | 3 051 723 | 3 101 029 | 3 158 238 | 3 304 856 |
| Households | 2 955 012 | 3 018 376 | 3 711 947 | 3 401 573 | 3 475 157 | 3 674 752 | 3 340 678 | 3 560 910 | 3 843 915 |
| Social benefits | 217 390 | 200 405 | 249 579 | 167 783 | 190 399 | 286 472 | 209 324 | 216 529 | 227 435 |
| Other transfers to households | 2 737 622 | 2 817 971 | 3 462 368 | 3 233 790 | 3 284 758 | 3 388 280 | 3 131 354 | 3 344 381 | 3 616 480 |
| Payments for capital assets | 7 108 181 | 8 520 531 | 8 186 603 | 8 142 008 | 7 854 355 | 7 763 063 | 7 728 031 | 7 500 369 | 7 690 999 |
| Buildings and other fixed structures | 5 892 076 | 7 508 265 | 7 523 677 | 7 393 372 | 7 040 034 | 7 061 710 | 6 977 955 | 6 667 457 | 6 873 125 |
| Buildings | 3 403 658 | 4 443 817 | 4 255 783 | 4 213 458 | 3 382 754 | 3 352 207 | 3 843 545 | 3 411 226 | 3 454 728 |
| Other fixed structures | 2 488 418 | 3 064 448 | 3 267 894 | 3 179 914 | 3 657 280 | 3 709 503 | 3 134 410 | 3 256 231 | 3 418 397 |
| Machinery and equipment | 1 159 410 | 953 270 | 629 908 | 730 902 | 792 551 | 678 851 | 729 732 | 813 373 | 799 948 |
| Transport equipment | 339 298 | 341 188 | 237 599 | 309 582 | 318 801 | 289 543 | 375 424 | 382 314 | 364 907 |
| Other machinery and equipment | 820 112 | 612 082 | 392 309 | 421 320 | 473 750 | 389 308 | 354 308 | 431 059 | 435 041 |
| Heritage assets | 1 819 | 10 794 | 4 659 | 5 000 | 8 080 | 8 100 | 4 200 | 4 462 | 4 684 |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | 7 354 | 9 542 | 474 | 586 | 586 | 586 | 606 | 636 | 668 |
| Land and sub-soil assets | 26 455 | 7 018 | - | - | - | 7 | - | - | - |
| Software and other intangible assets | 21 067 | 31 642 | 27 885 | 12 148 | 13 104 | 13 809 | 15 538 | 14 441 | 12 574 |
| Payments for financial assets | 26 265 | 11 012 | 38 511 | 2 500 | 3 273 | 4 081 | 157 598 | 157 055 | 139 500 |
| Total | 77 588 739 | 84 543 522 | 91 539 110 | 96 080 838 | 96 626 830 | 96 412 455 | 101 876 916 | 106 796 666 | 112 684 153 |
| Statutory payments | 65 601 | 67 160 | 71 095 | 108 468 | 86 241 | 86 241 | 82 321 | 85 790 | 89 230 |
| Total (including statutory payments) | 77 654 340 | 84 610 682 | 91 610 205 | 96 189 306 | 96 713 071 | 96 498 696 | 101 961 237 | 106 882 456 | 112 773 383 |
| Unauth. Exp. (1st charge) not available for spending | (13 070) | (1 800) | (2 500) | (2 500) | (2 500) | (2 500) | (157 598) | (157 055) | (139 501) |
| Baseline available for spending after 1st charge | 77 641 270 | 84 608 882 | 91 607 705 | 96 186 806 | 96 710 571 | 96 496 196 | 101 803 639 | 106 725 401 | 112 633 882 |

Table 1.C : Information relating to conditional grants

| Vote and Grant | 2011/12 | | | | 2012/13 | | | | 2013/14 | | | | 2014/15 | | | | Medium-term estimates | | | |
|--|------------------------|------------------|---------------------|------------------------|------------------|---------------------|------------------------|------------------|------------------------|------------------|---------------------|------------------------|---------------------------|----------------------|------------------------|------------------|-----------------------|------------------------|------------------|---------------------|
| | Adjusted appropriation | Actual transfer | Audited expenditure | Adjusted appropriation | Actual transfer | Audited expenditure | Adjusted appropriation | Actual transfer | Adjusted appropriation | Actual transfer | Audited expenditure | Adjusted appropriation | Revised transfer estimate | Revised exp estimate | Adjusted appropriation | Actual transfer | Audited expenditure | Adjusted appropriation | Actual transfer | Audited expenditure |
| R thousand | | | | | | | | | | | | | | | | | | | | |
| Vote 3 : Agriculture and Rural Development | 234 411 | 233 935 | 242 022 | 267 735 | 262 968 | 272 480 | 287 036 | 287 036 | 287 036 | 287 036 | 284 586 | 319 760 | 296 760 | 319 760 | 319 760 | 308 525 | 305 377 | 308 525 | 305 377 | 324 991 |
| Land Care Programme grant | 9 720 | 9 244 | 9 015 | 21 009 | 16 242 | 16 046 | 18 746 | 18 746 | 18 746 | 18 746 | 18 746 | 10 854 | 10 854 | 10 854 | 10 854 | 10 666 | 11 157 | 10 666 | 11 157 | 11 812 |
| Comprehensive Agricultural Support Programme grant | 164 691 | 164 691 | 164 691 | 183 726 | 183 726 | 183 726 | 202 522 | 202 522 | 202 522 | 202 522 | 202 522 | 212 632 | 212 632 | 212 632 | 212 632 | 226 161 | 230 344 | 226 161 | 230 344 | 245 823 |
| IlmaLeseña Projects grant | 60 000 | 60 000 | 60 000 | 63 000 | 63 000 | 63 000 | 65 768 | 65 768 | 65 768 | 65 768 | 42 768 | 92 093 | 69 093 | 92 093 | 92 093 | 69 402 | 63 876 | 69 402 | 63 876 | 67 356 |
| EPWP Integrated Grant for Provinces | - | - | 8 316 | 9 708 | 9 708 | - | - | - | - | - | - | 4 181 | 4 181 | 4 181 | 4 181 | 2 296 | - | 2 296 | - | - |
| Vote 4 : Economic Development, Tourism and Enviro Affairs | 8 852 | 8 852 | 8 316 | 10 708 | 10 708 | 10 708 | 1 550 | 1 550 | 1 550 | 1 550 | 550 | 16 827 | 16 827 | 16 827 | 16 827 | 8 162 | - | 8 162 | - | - |
| EPWP Integrated Grant for Provinces | 8 852 | 8 852 | 8 316 | 10 708 | 10 708 | 10 708 | 1 550 | 1 550 | 1 550 | 1 550 | 550 | 16 827 | 16 827 | 16 827 | 16 827 | 8 162 | - | 8 162 | - | - |
| Vote 5 : Education | 2 444 035 | 2 414 520 | 2 414 520 | 2 768 122 | 2 670 487 | 2 609 393 | 2 722 852 | 2 615 744 | 2 722 852 | 2 615 744 | 2 665 918 | 2 842 017 | 2 796 382 | 3 053 116 | 2 842 017 | 3 395 026 | 3 328 443 | 3 395 026 | 3 328 443 | 3 493 536 |
| Education Infrastructure grant | 1 175 956 | 1 175 956 | 1 175 956 | 1 413 001 | 1 413 001 | 1 423 000 | 1 306 421 | 1 306 421 | 1 306 421 | 1 306 421 | 1 306 421 | 1 385 781 | 1 385 781 | 1 385 781 | 1 385 781 | 1 978 683 | 1 857 648 | 1 978 683 | 1 857 648 | 1 950 530 |
| HIV and AIDS (Life-Skills Education) grant | 45 114 | 45 114 | 45 114 | 46 806 | 46 806 | 49 954 | 48 634 | 48 634 | 48 634 | 48 634 | 19 348 | 81 547 | 61 988 | 81 547 | 81 547 | 50 588 | 53 066 | 50 588 | 53 066 | 56 115 |
| National School Nutrition Programme (NSNP) grant | 1 172 082 | 1 144 368 | 1 144 368 | 1 247 477 | 1 151 644 | 1 085 489 | 1 299 705 | 1 206 190 | 1 299 705 | 1 206 190 | 1 283 939 | 1 253 300 | 1 237 534 | 1 462 576 | 1 462 576 | 1 287 034 | 1 355 247 | 1 287 034 | 1 355 247 | 1 423 009 |
| FET College Sector grant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Maths, Science and Technology grant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Technical Secondary Schools Recapitalisation grant | 38 553 | 36 762 | 36 762 | 42 291 | 40 490 | 32 976 | 46 583 | 42 717 | 46 583 | 42 717 | 39 030 | 52 833 | 45 280 | 54 656 | 54 656 | - | - | - | - | - |
| Dribled Schools grant | 12 320 | 12 320 | 12 320 | 17 547 | 17 546 | 17 079 | 18 509 | 18 509 | 18 509 | 18 509 | 15 840 | 21 458 | 19 568 | 21 458 | 21 458 | - | - | - | - | - |
| OSD for Education Sector Therapists grant | - | - | - | - | - | - | - | - | - | - | - | 41 581 | 41 581 | 41 581 | 41 581 | 13 079 | - | 13 079 | - | - |
| Social Sector EPWP Incentive Grant for Provinces | - | - | - | - | - | - | 2 580 | 2 580 | 2 580 | 2 580 | 2 580 | 2 580 | 2 580 | 2 580 | 2 580 | 3 000 | - | 3 000 | - | - |
| EPWP Integrated Grant for Provinces | - | - | - | 1 000 | 1 000 | 885 | 3 000 | 3 000 | 3 000 | 3 000 | 1 340 | 2 937 | 2 070 | 2 937 | 2 937 | 2 644 | - | 2 644 | - | - |
| Vote 7 : Health | 4 517 043 | 4 435 205 | 4 435 090 | 5 023 849 | 5 023 849 | 5 006 698 | 5 429 296 | 5 429 296 | 5 429 296 | 5 429 296 | 5 435 051 | 6 234 734 | 6 238 886 | 6 234 734 | 6 234 734 | 6 903 719 | 7 264 366 | 6 903 719 | 7 264 366 | 7 985 087 |
| Health Professions Training and Development grant | 249 917 | 249 917 | 249 917 | 267 860 | 267 860 | 261 880 | 276 262 | 276 262 | 276 262 | 276 262 | 276 262 | 292 837 | 292 837 | 292 837 | 292 837 | 299 513 | 312 377 | 299 513 | 312 377 | 331 942 |
| Health Facility Revitalisation grant | 970 122 | 906 169 | 906 169 | 1 176 452 | 1 176 452 | 1 176 514 | 1 072 531 | 1 072 531 | 1 072 531 | 1 072 531 | 1 072 529 | 1 362 469 | 1 362 469 | 1 362 469 | 1 362 469 | 1 229 775 | 1 047 521 | 1 229 775 | 1 047 521 | 1 099 888 |
| National Tertiary Services grant | 1 201 831 | 1 201 831 | 1 201 831 | 1 323 114 | 1 323 114 | 1 323 114 | 1 415 731 | 1 415 731 | 1 415 731 | 1 415 731 | 1 415 743 | 1 486 427 | 1 486 427 | 1 486 427 | 1 486 427 | 1 530 246 | 1 596 286 | 1 530 246 | 1 596 286 | 1 696 286 |
| Comprehensive HIV and AIDS grant | 1 907 312 | 1 889 427 | 1 907 312 | 2 225 423 | 2 225 423 | 2 225 423 | 2 652 072 | 2 652 072 | 2 652 072 | 2 652 072 | 2 651 997 | 3 257 992 | 3 257 992 | 3 257 992 | 3 257 992 | 3 813 094 | 4 293 086 | 3 813 094 | 4 293 086 | 4 840 949 |
| Forensic Pathology Services grant | 161 550 | 161 550 | 161 550 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Social Sector EPWP Incentive Grant for Provinces | 25 775 | 25 775 | 25 775 | - | - | - | - | - | - | - | - | 2 581 | 2 581 | 2 581 | 2 581 | 13 000 | - | 13 000 | - | - |
| EPWP Integrated Grant for Provinces | 536 | 536 | 536 | 33 000 | 33 000 | 17 115 | 9 700 | 9 700 | 9 700 | 9 700 | 15 520 | 19 848 | 14 000 | 19 848 | 19 848 | 2 580 | - | 2 580 | - | - |
| National Health Insurance grant | - | - | - | 3 000 | 3 000 | 1 672 | - | - | - | - | - | - | - | - | - | 14 408 | 15 066 | 14 408 | 15 066 | 16 032 |
| AFCOM Medical Services grant | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 8 : Human Settlements | 2 801 547 | 2 801 547 | 2 775 215 | 2 915 297 | 2 915 297 | 3 105 048 | 3 335 584 | 3 335 584 | 3 335 584 | 3 335 584 | 3 300 243 | 3 273 045 | 3 273 045 | 3 273 045 | 3 273 045 | 3 242 055 | 3 414 957 | 3 242 055 | 3 414 957 | 3 632 106 |
| Human Settlements Development grant | 2 769 871 | 2 769 871 | 2 772 854 | 2 915 297 | 2 915 297 | 3 077 411 | 3 332 584 | 3 332 584 | 3 332 584 | 3 332 584 | 3 309 243 | 3 273 045 | 3 273 045 | 3 273 045 | 3 273 045 | 3 235 475 | 3 414 957 | 3 235 475 | 3 414 957 | 3 632 106 |
| Housing Disaster Relief grant | 31 140 | 31 140 | 2 361 | - | - | 27 637 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| EPWP Integrated Grant for Provinces | 536 | 536 | - | - | - | - | 3 000 | 3 000 | 3 000 | 3 000 | - | - | - | - | - | 6 580 | - | - | - | - |
| Vote 9 : Community Safety and Liaison | - | - | - | 1 673 | 1 673 | 792 | 5 369 | 5 369 | 5 369 | 5 369 | 3 768 | 2 580 | 2 580 | 2 580 | 2 580 | 1 000 | - | 1 000 | - | - |
| Social Sector EPWP Incentive Grant for Provinces | - | - | - | 1 673 | 1 673 | 792 | 5 369 | 5 369 | 5 369 | 5 369 | 3 768 | 2 580 | 2 580 | 2 580 | 2 580 | 1 000 | - | 1 000 | - | - |
| Vote 11 : Coop. Governance and Traditional Affairs | - | - | - | - | - | - | - | - | - | - | - | 3 471 | 3 471 | 3 471 | 3 471 | 4 119 | - | 4 119 | - | - |
| EPWP Integrated Grant for Provinces | - | - | - | - | - | - | - | - | - | - | - | 3 471 | 3 471 | 3 471 | 3 471 | 4 119 | - | 4 119 | - | - |
| Vote 12 : Transport | 2 157 272 | 2 157 272 | 2 157 272 | 2 373 740 | 2 373 740 | 2 394 259 | 2 464 340 | 2 464 340 | 2 464 340 | 2 464 340 | 2 526 431 | 2 752 384 | 2 752 384 | 2 752 384 | 2 752 384 | 2 759 623 | 2 815 406 | 2 759 623 | 2 815 406 | 3 008 345 |
| Transport Disaster Management grant | 29 736 | 29 736 | 29 736 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Public Transport Operations grant | 773 473 | 773 473 | 773 473 | 808 279 | 808 279 | 808 877 | 852 325 | 852 325 | 852 325 | 852 325 | 914 416 | 904 783 | 904 783 | 904 783 | 904 783 | 924 766 | 964 241 | 924 766 | 964 241 | 1 024 634 |
| EPWP Integrated Grant for Provinces | 117 415 | 117 415 | 117 415 | 64 290 | 64 290 | 84 211 | 88 487 | 88 487 | 88 487 | 88 487 | 88 487 | 59 443 | 59 443 | 59 443 | 59 443 | 55 602 | - | 55 602 | - | - |
| Provincial Roads Maintenance grant | 1 236 648 | 1 236 648 | 1 236 648 | 1 501 171 | 1 501 171 | 1 501 171 | 1 523 528 | 1 523 528 | 1 523 528 | 1 523 528 | 1 788 158 | 1 788 158 | 1 788 158 | 1 788 158 | 1 788 158 | 1 779 255 | 1 851 165 | 1 779 255 | 1 851 165 | 1 983 711 |
| Vote 13 : Social Development | 4 494 | 3 821 | 3 821 | 674 | 674 | 674 | 14 610 | 14 610 | 14 610 | 14 610 | 14 610 | 5 746 | 5 746 | 5 746 | 5 746 | 3 000 | - | 3 000 | - | - |
| Social Sector EPWP Incentive Grant for Provinces | 4 494 | 3 821 | 3 821 | 674 | 674 | 674 | 14 610 | 14 610 | 14 610 | 14 610 | 14 610 | 5 746 | 5 746 | 5 746 | 5 746 | 3 000 | - | 3 000 | - | - |
| EPWP Integrated Grant for Provinces | - | - | - | - | - | - | - | - | - | - | - | 2 000 | 2 000 | 2 000 | 2 000 | - | - | 2 000 | - | - |
| Vote 14 : Public Works | 507 841 | 465 546 | 494 163 | 552 608 | 552 608 | 407 735 | 3 000 | 3 000 | 3 000 | 3 000 | 3 000 | 3 168 | 3 168 | 3 168 | 3 168 | 3 057 | - | 3 057 | - | - |
| Devolution of Property Rate Funds Grant | 505 880 | 463 565 | 489 480 | 551 100 | 551 100 | 402 443 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| EPWP Integrated Grant for Provinces | 1 961 | 1 961 | 4 683 | 1 508 | 1 508 | 5 292 | 3 000 | 3 000 | 3 000 | 3 000 | 3 000 | 3 168 | 3 168 | 3 168 | 3 168 | 3 057 | - | 3 057 | - | - |
| Vote 15 : Arts and Culture | 48 971 | 48 971 | 49 444 | 49 166 | 48 619 | 49 180 | 63 695 | 63 695 | 63 695 | 63 695 | 64 472 | 124 856 | 124 856 | 124 856 | 124 856 | 159 696 | 164 273 | 159 696 | 164 273 | 176 737 |
| Community Library Services grant | 48 971 | 48 971 | 49 444 | 48 619 | 48 619 | 48 633 | 63 145 | 63 145 | 63 145 | 63 145 | 63 440 | 122 754 | 122 754 | 122 754 | 122 754 | 157 696 | 164 273 | 157 696 | 164 273 | 176 737 |
| EPWP Integrated Grant for Provinces | - | - | - | 547 | 547 | - | - | - | - | - | - | 2 102 | 2 102 | 2 102 | 2 102 | - | - | 2 102 | - | - |
| Vote 16 : Sport and Recreation | 87 694 | 87 694 | 87 694 | 91 122 | 91 548 | 91 548 | 84 760 | 84 760 | 84 760 | 84 760 | 84 760 | 85 435 | 85 435 | 85 435</ | | | | | | |

Table 1.D : Summary of provincial infrastructure payments and estimates by category and Vote

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Maintenance and repair: Current | | | | | | | | | |
| Vote 1: Office of the Premier | 1 530 | 3 528 | - | - | - | - | - | - | - |
| Vote 2: Provincial Legislature | 1 376 | 1 943 | 7 157 | 3 872 | 3 872 | 3 872 | 4 050 | 4 095 | 4 170 |
| Vote 3: Agriculture and Rural Development | 13 725 | 21 639 | 22 829 | 24 199 | 24 199 | 24 199 | 25 312 | 26 654 | 28 067 |
| Vote 4: Economic Dev, Tourism and Enviro Affairs | - | - | - | - | - | - | - | - | - |
| Vote 5: Education | 100 346 | 253 554 | 194 530 | 149 412 | 149 412 | 137 221 | 214 383 | 229 299 | 232 900 |
| Vote 6: Provincial Treasury | - | - | - | - | - | - | - | - | - |
| Vote 7: Health | 423 950 | 439 636 | 325 401 | 232 193 | 303 190 | 353 223 | 363 758 | 337 441 | 287 006 |
| Vote 8: Human Settlements | - | - | - | 10 051 | - | - | - | - | - |
| Vote 9: Community Safety and Liaison | - | - | - | - | - | - | - | - | - |
| Vote 10: Royal Household (moved to OTP) | - | - | - | - | - | - | - | - | - |
| Vote 11: COGTA | - | - | - | - | - | - | - | - | - |
| Vote 12: Transport | 2 388 729 | 2 666 236 | 2 709 259 | 3 759 593 | 3 114 089 | 3 028 287 | 3 564 126 | 3 699 845 | 3 956 093 |
| Vote 13: Social Development | 5 068 | 16 139 | 21 655 | 16 307 | 16 307 | 16 307 | 17 057 | 17 961 | 18 859 |
| Vote 14: Public Works | 8 924 | 11 113 | 9 370 | 8 100 | 10 558 | 11 047 | 6 000 | 6 300 | 4 400 |
| Vote 15: Arts and Culture | - | - | - | - | - | - | - | - | - |
| Vote 16: Sport and Recreation | 1 745 | 157 | - | - | - | - | - | - | - |
| Sub-total: Maintenance and repair: Current | 2 945 393 | 3 413 945 | 3 290 201 | 4 203 727 | 3 621 627 | 3 574 156 | 4 194 686 | 4 321 595 | 4 531 495 |
| Upgrades and additions: Capital | | | | | | | | | |
| Vote 1: Office of the Premier | - | - | - | - | - | - | - | - | - |
| Vote 2: Provincial Legislature | 138 | 2 853 | 4 181 | 813 | 813 | 1 680 | 850 | 895 | 940 |
| Vote 3: Agriculture and Rural Development | - | - | - | - | - | - | - | - | - |
| Vote 4: Economic Dev, Tourism and Enviro Affairs | - | - | - | - | - | - | - | - | - |
| Vote 5: Education | 703 834 | 987 291 | 1 297 566 | 795 334 | 235 334 | 495 334 | 854 838 | 680 490 | 713 336 |
| Vote 6: Provincial Treasury | - | - | - | - | - | - | - | - | - |
| Vote 7: Health | 399 883 | 1 015 627 | 840 089 | 758 765 | 709 245 | 684 533 | 402 569 | 205 937 | 224 412 |
| Vote 8: Human Settlements | - | - | - | - | - | - | - | - | - |
| Vote 9: Community Safety and Liaison | - | - | - | - | - | - | - | - | - |
| Vote 10: Royal Household (moved to OTP) | - | - | - | - | - | - | - | - | - |
| Vote 11: COGTA | - | - | - | - | - | - | - | - | - |
| Vote 12: Transport | 1 390 547 | 1 738 910 | 1 846 882 | 1 704 282 | 2 326 145 | 2 403 061 | 1 635 559 | 1 727 288 | 1 813 652 |
| Vote 13: Social Development | 10 115 | 8 861 | 37 327 | 12 878 | 12 878 | 12 878 | 13 781 | 14 746 | 15 483 |
| Vote 14: Public Works | 11 691 | 52 057 | 51 467 | 52 930 | 52 533 | 53 506 | 31 937 | 35 623 | 42 856 |
| Vote 15: Arts and Culture | 1 422 | 9 438 | 11 288 | 15 800 | 11 174 | 11 174 | 9 500 | 13 000 | 19 700 |
| Vote 16: Sport and Recreation | - | - | - | - | - | - | - | - | - |
| Sub-total: Upgrading and additions: Capital | 2 517 630 | 3 815 037 | 4 088 800 | 3 340 802 | 3 348 122 | 3 662 166 | 2 949 034 | 2 677 979 | 2 830 379 |
| Refurbishment and rehabilitation: Capital | | | | | | | | | |
| Vote 1: Office of the Premier | 2 527 | 12 743 | 24 272 | 1 063 | 9 560 | 9 560 | 4 666 | 3 543 | 2 916 |
| Vote 2: Provincial Legislature | - | - | - | - | - | - | - | - | - |
| Vote 3: Agriculture and Rural Development | 53 070 | 59 978 | 65 272 | 81 206 | 70 406 | 70 406 | 75 413 | 72 290 | 75 164 |
| Vote 4: Economic Dev, Tourism and Enviro Affairs | - | - | - | - | - | - | - | - | - |
| Vote 5: Education | 668 822 | 444 754 | 412 699 | 588 772 | 288 772 | 354 934 | 982 776 | 953 322 | 802 514 |
| Vote 6: Provincial Treasury | - | - | - | - | - | - | - | - | - |
| Vote 7: Health | 105 042 | 220 027 | 315 337 | 168 795 | 261 000 | 273 454 | 158 958 | 237 980 | 154 830 |
| Vote 8: Human Settlements | - | - | - | 40 465 | - | - | - | - | - |
| Vote 9: Community Safety and Liaison | - | - | - | - | - | - | - | - | - |
| Vote 10: Royal Household (moved to OTP) | - | - | - | - | - | - | - | - | - |
| Vote 11: COGTA | 12 843 | 5 955 | 13 560 | 12 173 | 8 490 | 8 490 | 11 431 | 21 596 | 22 674 |
| Vote 12: Transport | 592 325 | 736 296 | 798 697 | 886 660 | 686 865 | 729 254 | 981 867 | 1 000 946 | 1 050 993 |
| Vote 13: Social Development | 7 178 | 15 974 | 16 873 | - | 12 821 | 12 821 | 20 000 | 23 000 | 22 932 |
| Vote 14: Public Works | 11 372 | 11 442 | 19 012 | 10 582 | 11 623 | 18 063 | 16 043 | 16 551 | 15 212 |
| Vote 15: Arts and Culture | 10 083 | 4 963 | 5 165 | - | 4 626 | 4 626 | 1 279 | - | - |
| Vote 16: Sport and Recreation | - | - | - | - | - | - | - | - | - |
| Sub-total: Refurbishment and rehabilitation: Capital | 1 463 262 | 1 512 132 | 1 670 887 | 1 789 716 | 1 354 163 | 1 481 608 | 2 252 433 | 2 329 228 | 2 147 235 |

Table 1.D : Summary of provincial infrastructure payments and estimates by category and Vote (continued)

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|-------------------|-------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| New infrastructure assets: Capital | | | | | | | | | |
| Vote 1: Office of the Premier | - | - | - | 15 697 | 15 000 | 15 000 | 14 963 | 15 756 | 17 348 |
| Vote 2: Provincial Legislature | - | - | - | - | - | - | - | - | - |
| Vote 3: Agriculture and Rural Development | 43 553 | 95 105 | 68 192 | 59 481 | 50 981 | 50 981 | 40 031 | 49 461 | 51 127 |
| Vote 4: Economic Dev, Tourism and Enviro Affairs | - | - | - | - | - | 28 | - | - | - |
| Vote 5: Education | 723 791 | 1 031 326 | 648 989 | 1 188 830 | 1 188 830 | 875 436 | 452 038 | 387 118 | 406 405 |
| Vote 6: Provincial Treasury | - | - | - | - | - | - | - | - | - |
| Vote 7: Health | 856 919 | 654 434 | 475 909 | 382 023 | 359 420 | 345 431 | 578 921 | 580 863 | 761 434 |
| Vote 8: Human Settlements | 11 022 | 1 009 | 6 799 | 64 670 | 64 459 | 64 459 | 12 500 | - | - |
| Vote 9: Community Safety and Liaison | - | - | 312 | - | - | - | - | - | - |
| Vote 10: Royal Household (moved to OTP) | - | - | - | - | - | - | - | - | - |
| Vote 11: COGTA | 3 782 | 18 270 | 25 509 | 47 730 | 76 662 | 71 662 | 66 800 | 42 000 | 45 700 |
| Vote 12: Transport | 392 051 | 426 008 | 451 092 | 356 343 | 425 352 | 373 242 | 368 517 | 388 048 | 407 451 |
| Vote 13: Social Development | 122 616 | 132 572 | 127 884 | 93 127 | 93 127 | 93 212 | 102 100 | 98 008 | 110 072 |
| Vote 14: Public Works | 19 606 | 13 387 | 4 294 | 15 422 | 34 392 | 22 892 | 23 393 | 14 144 | 8 157 |
| Vote 15: Arts and Culture | 34 576 | 21 059 | 26 372 | 61 162 | 53 157 | 53 157 | 77 700 | 62 452 | 63 798 |
| Vote 16: Sport and Recreation | 10 940 | 15 078 | 29 001 | 38 178 | 36 178 | 36 178 | 36 314 | 32 400 | 34 020 |
| Sub-total: New infrastructure assets: Capital | 2 218 856 | 2 408 248 | 1 864 353 | 2 322 663 | 2 397 558 | 2 001 678 | 1 773 278 | 1 670 250 | 1 905 512 |
| Infrastructure transfers: Current | | | | | | | | | |
| Vote 1: Office of the Premier | - | - | - | - | - | - | - | - | - |
| Vote 2: Provincial Legislature | - | - | - | - | - | - | - | - | - |
| Vote 3: Agriculture and Rural Development | 8 259 | - | - | - | - | - | - | - | - |
| Vote 4: Economic Dev, Tourism and Enviro Affairs | - | - | - | - | - | - | - | - | - |
| Vote 5: Education | - | - | - | - | - | - | - | - | - |
| Vote 6: Provincial Treasury | - | - | - | - | - | - | - | - | - |
| Vote 7: Health | - | - | 22 | - | - | - | - | - | - |
| Vote 8: Human Settlements | - | - | - | 50 881 | - | - | - | - | - |
| Vote 9: Community Safety and Liaison | - | - | - | - | - | - | - | - | - |
| Vote 10: Royal Household (moved to OTP) | - | - | - | - | - | - | - | - | - |
| Vote 11: Co-operative Governance and Traditional Affa | - | - | - | - | - | - | - | - | - |
| Vote 12: Transport | - | - | - | - | - | - | - | - | - |
| Vote 13: Social Development | - | - | - | - | - | - | - | - | - |
| Vote 14: Public Works | - | - | - | - | - | - | - | - | - |
| Vote 15: Arts and Culture | - | - | - | - | - | - | - | - | - |
| Vote 16: Sport and Recreation | 3 300 | 4 950 | 3 300 | 3 300 | 3 300 | 3 300 | 1 650 | 1 650 | 1 650 |
| Sub-total: Infrastructure transfers: Current | 11 559 | 4 950 | 3 322 | 54 181 | 3 300 | 3 300 | 1 650 | 1 650 | 1 650 |
| Infrastructure transfers: Capital | | | | | | | | | |
| Vote 1: Office of the Premier | - | - | - | - | - | - | - | - | - |
| Vote 2: Provincial Legislature | - | - | - | - | - | - | - | - | - |
| Vote 3: Agriculture and Rural Development | - | - | 6 000 | - | 2 000 | 2 000 | - | - | - |
| Vote 4: Economic Dev, Tourism and Enviro Affairs | 470 529 | 415 613 | 559 655 | 655 747 | 540 747 | 540 747 | 660 015 | 652 876 | 685 519 |
| Vote 5: Education | - | - | - | - | - | - | - | - | - |
| Vote 6: Provincial Treasury | 31 264 | 28 012 | 21 085 | 13 500 | 31 883 | 31 883 | 10 062 | - | - |
| Vote 7: Health | 10 000 | 20 000 | 20 000 | - | - | - | - | - | - |
| Vote 8: Human Settlements | - | 115 000 | 40 384 | 36 689 | 44 261 | 44 261 | 148 400 | 110 820 | 53 869 |
| Vote 9: Community Safety and Liaison | - | - | - | - | - | - | - | - | - |
| Vote 10: Royal Household (moved to OTP) | - | - | - | - | - | - | - | - | - |
| Vote 11: COGTA | 6 000 | - | - | - | - | - | - | - | - |
| Vote 12: Transport | - | - | - | - | - | - | - | - | - |
| Vote 13: Social Development | 35 000 | - | - | - | - | - | - | - | - |
| Vote 14: Public Works | - | - | - | - | - | - | - | - | - |
| Vote 15: Arts and Culture | 6 409 | 18 176 | - | 17 050 | 1 300 | 1 300 | 30 000 | 30 000 | 30 250 |
| Vote 16: Sport and Recreation | 14 924 | 13 650 | 18 165 | 48 900 | 18 900 | 18 900 | 40 000 | 10 000 | 10 000 |
| Sub-total: Infrastructure transfers: Capital | 574 126 | 610 451 | 665 289 | 771 886 | 639 091 | 639 091 | 888 477 | 803 696 | 779 638 |
| Total | 9 730 826 | 11 764 763 | 11 582 852 | 12 482 976 | 11 363 862 | 11 362 000 | 12 059 557 | 11 804 398 | 12 195 909 |

Table 1.E : Summary of transfers to municipalities

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| | | | | 2014/15 | | | | | |
| A KZN2000 eThekweni | 350 695 | 384 547 | 499 868 | 648 506 | 534 335 | 560 462 | 634 799 | 591 192 | 559 857 |
| Total: Ugu Municipalities | 43 261 | 52 507 | 62 312 | 40 966 | 43 261 | 35 608 | 52 921 | 41 140 | 42 071 |
| B KZN211 Vulamehlo | 2 365 | 2 114 | 2 076 | 1 472 | 1 472 | 4 | 9 714 | 1 748 | 1 783 |
| B KZN212 Umdoni | 13 289 | 5 387 | 5 025 | 5 052 | 5 002 | 5 881 | 6 315 | 6 604 | 6 894 |
| B KZN213 Umzumbe | 2 580 | 1 932 | 2 752 | 4 350 | 7 825 | 6 228 | 11 894 | 3 819 | 3 895 |
| B KZN214 uMuziwabantu | 3 693 | 8 228 | 11 515 | 2 983 | 2 983 | 815 | 5 067 | 5 322 | 5 589 |
| B KZN215 Ezingolweni | 438 | 1 209 | 2 566 | 932 | 1 806 | 1 688 | 962 | 1 007 | 1 054 |
| B KZN216 Hibiscus Coast | 11 291 | 20 207 | 16 447 | 12 867 | 19 863 | 16 682 | 18 719 | 22 240 | 22 856 |
| C DC21 Ugu District Municipality | 9 605 | 13 430 | 21 931 | 13 310 | 4 310 | 4 310 | 250 | 400 | - |
| Total: uMgungundlovu Municipalities | 134 385 | 145 812 | 197 392 | 162 062 | 163 594 | 175 000 | 122 641 | 129 552 | 135 704 |
| B KZN221 uMshwathi | 9 100 | 5 978 | 7 303 | 11 022 | 11 022 | 86 578 | 17 560 | 18 607 | 19 715 |
| B KZN222 uMngeni | 10 468 | 12 529 | 25 001 | 14 493 | 29 423 | 22 351 | 10 492 | 11 027 | 11 578 |
| B KZN223 Mpofana | 2 746 | 1 373 | 1 259 | 1 961 | 1 813 | 1 012 | 1 199 | 1 260 | 1 319 |
| B KZN224 Impendle | 11 818 | 6 044 | 10 661 | 826 | 826 | 666 | 986 | 1 037 | 1 089 |
| B KZN225 Msunduzi | 72 844 | 92 390 | 117 208 | 99 799 | 111 664 | 51 562 | 89 697 | 94 815 | 99 497 |
| B KZN226 Mkhambathini | 2 161 | 977 | 1 244 | 1 493 | 1 478 | 5 081 | 1 374 | 1 426 | 1 479 |
| B KZN227 Richmond | 221 | 2 610 | 9 820 | 3 114 | 1 014 | 1 396 | 1 083 | 980 | 1 027 |
| C DC22 uMgungundlovu District Municipality | 25 027 | 23 911 | 24 896 | 29 354 | 6 354 | 6 354 | 250 | 400 | - |
| Total: Uthukela Municipalities | 82 180 | 97 607 | 66 339 | 39 499 | 52 388 | 64 148 | 52 582 | 57 312 | 58 697 |
| B KZN232 Emnambithi/Ladysmith | 36 352 | 34 194 | 36 018 | 20 589 | 21 769 | 22 435 | 23 704 | 26 180 | 27 408 |
| B KZN233 Indaka | 1 696 | 1 313 | 1 815 | 2 277 | 1 981 | 2 186 | 2 473 | 2 547 | 2 623 |
| B KZN234 Umtshezi | 13 769 | 15 821 | 14 470 | 6 742 | 9 837 | 18 241 | 16 117 | 16 932 | 17 781 |
| B KZN235 Okhahlamba | 4 672 | 14 452 | 12 076 | 2 021 | 16 531 | 17 425 | 6 116 | 6 424 | 6 748 |
| B KZN236 Imbabazane | 1 631 | 2 093 | 1 960 | 2 020 | 2 020 | 3 611 | 3 922 | 4 029 | 4 137 |
| C DC23 Uthukela District Municipality | 24 060 | 29 734 | - | 5 850 | 250 | 250 | 250 | 1 200 | - |
| Total: Umzinyathi Municipalities | 51 431 | 46 537 | 33 071 | 37 345 | 45 729 | 49 222 | 60 154 | 35 425 | 36 444 |
| B KZN241 Endumeni | 10 923 | 9 811 | 12 401 | 13 055 | 13 159 | 11 930 | 21 214 | 11 862 | 12 538 |
| B KZN242 Nquthu | 13 987 | 9 593 | 10 832 | 8 896 | 13 409 | 14 400 | 18 459 | 10 717 | 10 979 |
| B KZN244 Msinga | 7 339 | 4 241 | 4 271 | 3 442 | 3 442 | 5 311 | 5 413 | 5 546 | 5 682 |
| B KZN245 Umvoti | 6 650 | 6 487 | 5 088 | 4 402 | 9 469 | 11 331 | 14 568 | 6 900 | 7 245 |
| C DC24 Umzinyathi District Municipality | 12 532 | 16 405 | 479 | 7 550 | 6 250 | 6 250 | 500 | 400 | - |
| Total: Amajuba Municipalities | 26 586 | 79 205 | 19 719 | 29 977 | 59 604 | 64 168 | 24 039 | 24 769 | 25 269 |
| B KZN252 Newcastle | 20 216 | 31 159 | 14 119 | 15 225 | 20 127 | 20 883 | 15 450 | 15 848 | 16 405 |
| B KZN253 eMadlangeni | 1 720 | 2 340 | 3 855 | 2 043 | 3 768 | 4 863 | 3 603 | 3 546 | 3 640 |
| B KZN254 Dannhauser | 1 235 | 26 787 | 1 745 | 1 709 | 34 709 | 37 422 | 4 736 | 4 975 | 5 224 |
| C DC25 Amajuba District Municipality | 3 415 | 18 919 | - | 11 000 | 1 000 | 1 000 | 250 | 400 | - |
| Total: Zululand Municipalities | 73 686 | 95 943 | 50 865 | 42 264 | 56 600 | 73 641 | 46 070 | 48 373 | 51 616 |
| B KZN261 eDumbe | 4 375 | 5 331 | 3 370 | 5 427 | 12 427 | 10 052 | 4 352 | 4 321 | 4 441 |
| B KZN262 uPhongolo | 7 017 | 15 438 | 7 909 | 4 405 | 9 924 | 11 352 | 4 655 | 4 792 | 4 929 |
| B KZN263 Abaqulusi | 15 982 | 21 161 | 20 178 | 10 101 | 16 928 | 20 793 | 9 595 | 10 085 | 10 591 |
| B KZN265 Nongoma | 604 | 3 976 | 4 310 | 3 811 | 3 811 | 6 452 | 5 973 | 6 274 | 6 588 |
| B KZN266 Ulundi | 12 623 | 9 684 | 12 863 | 11 541 | 11 531 | 23 013 | 19 430 | 20 590 | 23 060 |
| C DC26 Zululand District Municipality | 33 085 | 40 353 | 2 235 | 6 979 | 1 979 | 1 979 | 2 065 | 2 311 | 2 007 |
| Total: Umkhanyakude Municipalities | 38 729 | 88 135 | 26 827 | 20 200 | 20 305 | 33 161 | 31 452 | 31 896 | 32 670 |
| B KZN271 Umhlabyalingana | 6 986 | 8 392 | 10 403 | 8 096 | 7 697 | 12 930 | 11 838 | 12 435 | 13 056 |
| B KZN272 Jozini | 3 314 | 8 255 | 4 934 | 2 984 | 3 110 | 7 343 | 6 562 | 6 726 | 6 893 |
| B KZN273 The Big Five False Bay | 2 945 | 1 797 | 2 547 | 1 620 | 1 620 | 2 510 | 2 777 | 2 855 | 2 934 |
| B KZN274 Hlabisa | 2 683 | 2 549 | 3 163 | 1 950 | 2 601 | 1 940 | 4 147 | 4 263 | 4 380 |
| B KZN275 Mtubatuba | 4 396 | 3 694 | 4 780 | 5 300 | 5 027 | 7 188 | 5 028 | 5 217 | 5 407 |
| C DC27 Umkhanyakude District Municipality | 18 405 | 63 448 | 1 000 | 250 | 250 | 1 250 | 1 100 | 400 | - |
| Total: uThungulu Municipalities | 82 212 | 95 458 | 85 293 | 98 101 | 68 688 | 65 446 | 39 596 | 41 178 | 42 551 |
| B KZN281 Mbonambi | 7 837 | 3 602 | 3 832 | 6 522 | 6 516 | 5 516 | 1 243 | 1 291 | 1 341 |
| B KZN282 uMhlathuze | 19 242 | 51 164 | 42 622 | 64 146 | 44 343 | 34 760 | 19 234 | 20 167 | 21 127 |
| B KZN283 Ntambanana | 1 915 | 4 049 | 3 509 | 3 426 | 2 886 | 2 880 | 1 713 | 1 618 | 1 674 |
| B KZN284 Umlalazi | 13 603 | 6 182 | 6 128 | 7 661 | 7 297 | 9 624 | 7 310 | 7 438 | 7 711 |
| B KZN285 Mthonjaneni | 17 427 | 18 019 | 2 864 | 3 161 | 3 161 | 3 118 | 3 348 | 3 439 | 3 531 |
| B KZN286 Nkandla | 12 342 | 3 542 | 4 588 | 2 485 | 2 485 | 7 548 | 6 498 | 6 825 | 7 167 |
| C DC28 uThungulu District Municipality | 9 846 | 8 900 | 21 750 | 10 700 | 2 000 | 2 000 | 250 | 400 | - |
| Total: Ilembe Municipalities | 69 117 | 60 874 | 41 322 | 55 682 | 69 573 | 63 041 | 36 374 | 28 092 | 28 422 |
| B KZN291 Mandeni | 11 459 | 8 707 | 19 238 | 4 583 | 5 183 | 4 551 | 10 842 | 2 825 | 2 961 |
| B KZN292 KwaDukuza | 16 080 | 23 449 | 11 899 | 11 850 | 22 716 | 21 821 | 14 866 | 14 219 | 14 574 |
| B KZN293 Ndwedwe | 3 506 | 6 005 | 2 679 | 10 116 | 18 716 | 18 969 | 2 096 | 2 162 | 2 231 |
| B KZN294 Maphumulo | 18 567 | 3 672 | 7 006 | 8 502 | 12 027 | 6 769 | 8 320 | 8 486 | 8 656 |
| C DC29 Ilembe District Municipality | 19 505 | 19 041 | 500 | 20 631 | 10 931 | 10 931 | 250 | 400 | - |
| Total: Harry Gwala Municipalities | 81 086 | 67 562 | 60 487 | 38 656 | 98 814 | 91 196 | 45 839 | 17 702 | 17 896 |
| B KZN431 Ingwe | 11 681 | 3 045 | 3 841 | 2 142 | 3 667 | 7 656 | 10 990 | 3 442 | 3 544 |
| B KZN432 Kwa Sani | 10 723 | 770 | 1 127 | 1 265 | 1 265 | 825 | 1 649 | 1 552 | 1 607 |
| B KZN433 Greater Kokstad | 15 359 | 9 493 | 19 946 | 18 129 | 44 512 | 36 816 | 12 682 | 2 574 | 2 678 |
| B KZN434 Ubuhlebezwe | 8 507 | 18 374 | 15 731 | 1 346 | 31 596 | 31 690 | 14 676 | 4 838 | 4 958 |
| B KZN435 Umzimkulu | 6 280 | 11 280 | 16 842 | 4 524 | 17 024 | 13 459 | 4 742 | 4 896 | 5 109 |
| C DC43 Harry Gwala District Municipality | 28 536 | 24 600 | 3 000 | 11 250 | 750 | 750 | 1 100 | 400 | - |
| Unallocated/unclassified | - | 132 | 24 | 1 050 | 1 050 | 1 018 | 1 293 | 12 930 | 12 941 |
| Total | 1 033 368 | 1 214 319 | 1 143 519 | 1 214 308 | 1 213 941 | 1 276 111 | 1 147 760 | 1 059 561 | 1 044 138 |

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

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation 2014/15 | Revised estimate | Medium-term estimates | | |
|---|-------------------|-------------------|-------------------|--------------------|--------------------------------|-------------------|-----------------------|--------------------|--------------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| General Public Services | | | | | | | | | |
| Executive and Legislature | 571 852 | 648 256 | 716 855 | 739 009 | 745 143 | 744 188 | 747 588 | 772 951 | 810 981 |
| Office of the Premier | 35 268 | 34 619 | 58 532 | 39 404 | 55 148 | 55 148 | 43 906 | 46 520 | 48 846 |
| Provincial Legislature | 536 584 | 613 637 | 658 323 | 699 605 | 689 995 | 689 040 | 703 682 | 726 431 | 762 135 |
| Financial and Fiscal Services | 354 962 | 496 736 | 558 928 | 663 393 | 636 243 | 598 315 | 648 224 | 661 897 | 666 642 |
| Provincial Treasury | 354 962 | 496 736 | 558 928 | 663 393 | 636 243 | 598 315 | 648 224 | 661 897 | 666 642 |
| General Services (Public Works, Local Government) | 2 922 452 | 3 295 884 | 3 361 680 | 3 603 427 | 3 739 984 | 3 740 158 | 3 665 044 | 3 801 061 | 3 989 902 |
| Total: General Public Services | 3 849 266 | 4 440 876 | 4 637 463 | 5 005 829 | 5 121 370 | 5 082 661 | 5 060 856 | 5 235 909 | 5 467 525 |
| Public Order and Safety | | | | | | | | | |
| Police Services | 145 239 | 135 892 | 171 922 | 181 295 | 179 692 | 179 692 | 187 069 | 198 470 | 200 285 |
| Community Safety and Liaison | 145 239 | 135 892 | 171 922 | 181 295 | 179 692 | 179 692 | 187 069 | 198 470 | 200 285 |
| Total: Public Order and Safety | 145 239 | 135 892 | 171 922 | 181 295 | 179 692 | 179 692 | 187 069 | 198 470 | 200 285 |
| Economic Affairs | | | | | | | | | |
| General Economic Affairs | 1 521 912 | 1 622 126 | 2 498 135 | 2 104 154 | 2 097 188 | 2 096 189 | 2 050 627 | 2 089 781 | 2 173 151 |
| Economic Dev, Tourism and Enviro Affairs | 1 484 191 | 1 583 809 | 2 457 080 | 1 917 844 | 2 050 495 | 2 050 874 | 2 016 468 | 2 075 255 | 2 164 199 |
| Provincial Treasury | 37 721 | 38 317 | 41 055 | 186 310 | 46 693 | 45 315 | 34 159 | 14 526 | 8 952 |
| Agriculture | 1 670 652 | 1 963 311 | 1 855 569 | 1 965 497 | 2 002 317 | 2 002 317 | 2 074 515 | 2 154 802 | 2 266 529 |
| Agriculture and Rural Development | 1 670 652 | 1 963 311 | 1 855 569 | 1 965 497 | 2 002 317 | 2 002 317 | 2 074 515 | 2 154 802 | 2 266 529 |
| Transport | 6 435 372 | 7 399 651 | 7 797 883 | 8 805 971 | 8 797 071 | 8 797 071 | 9 045 226 | 9 430 576 | 9 959 736 |
| Transport | 6 435 372 | 7 399 651 | 7 797 883 | 8 805 971 | 8 797 071 | 8 797 071 | 9 045 226 | 9 430 576 | 9 959 736 |
| Total: Economic Affairs | 9 627 936 | 10 985 088 | 12 151 587 | 12 875 622 | 12 896 576 | 12 895 577 | 13 170 368 | 13 675 159 | 14 399 416 |
| Environmental Protection | | | | | | | | | |
| Environmental Affairs and Conservation | 718 412 | 814 595 | 823 604 | 937 029 | 934 535 | 934 535 | 923 847 | 973 673 | 1 022 355 |
| Total: Environmental Protection | 718 412 | 814 595 | 823 604 | 937 029 | 934 535 | 934 535 | 923 847 | 973 673 | 1 022 355 |
| Housing and Community Amenities | | | | | | | | | |
| Housing Development | 3 042 495 | 3 377 771 | 3 617 002 | 3 600 282 | 3 622 443 | 3 622 443 | 3 584 685 | 3 776 080 | 4 011 284 |
| Human Settlements | 3 042 495 | 3 377 771 | 3 617 002 | 3 600 282 | 3 622 443 | 3 622 443 | 3 584 685 | 3 776 080 | 4 011 284 |
| Total: Housing and Community Amenities | 3 042 495 | 3 377 771 | 3 617 002 | 3 600 282 | 3 622 443 | 3 622 443 | 3 584 685 | 3 776 080 | 4 011 284 |
| Health | | | | | | | | | |
| Outpatient services | 6 437 561 | 7 493 523 | 8 412 477 | 9 287 290 | 9 344 001 | 9 266 564 | 10 287 614 | 10 923 728 | 11 826 246 |
| Hospital Services | 17 477 511 | 18 974 703 | 20 102 571 | 20 556 008 | 20 704 599 | 20 585 594 | 21 620 733 | 22 663 367 | 23 834 503 |
| Total: Health | 23 915 072 | 26 468 226 | 28 515 048 | 29 843 298 | 30 048 600 | 29 852 158 | 31 908 347 | 33 587 095 | 35 660 749 |
| Recreation, Culture and Religion | | | | | | | | | |
| Sporting and Recreational Affairs | | | | | | | | | |
| Sport and Recreation | 307 836 | 367 751 | 414 968 | 456 379 | 455 571 | 455 571 | 454 389 | 440 571 | 463 512 |
| Arts and Culture | 359 530 | 468 001 | 684 161 | 692 791 | 714 581 | 714 581 | 768 789 | 803 362 | 877 441 |
| Office of the Premier | 24 057 | 26 460 | 29 095 | 32 013 | 35 149 | 35 149 | 34 977 | 34 916 | 36 662 |
| Total: Recreation, Culture and Religion | 691 423 | 862 212 | 1 128 224 | 1 181 183 | 1 205 301 | 1 205 301 | 1 258 155 | 1 278 849 | 1 377 615 |
| Education | | | | | | | | | |
| Pre-primary & Primary Phases | 15 781 155 | 16 207 410 | 17 505 623 | 18 820 294 | 19 299 094 | 19 148 094 | 21 049 647 | 22 253 110 | 23 566 125 |
| Secondary Education Phase | 10 275 287 | 11 306 413 | 12 200 791 | 12 554 718 | 12 873 918 | 12 762 909 | 13 141 770 | 13 887 202 | 14 741 741 |
| Subsidiary Services to Education | 5 943 260 | 6 226 083 | 6 497 784 | 6 598 685 | 5 916 696 | 6 183 066 | 6 898 389 | 6 955 186 | 6 999 475 |
| Education not defined by level | 1 745 678 | 1 814 401 | 2 044 704 | 2 109 197 | 2 141 164 | 2 154 829 | 2 164 441 | 2 311 660 | 2 439 246 |
| Total: Education | 33 745 380 | 35 554 307 | 38 248 902 | 40 082 894 | 40 230 872 | 40 248 898 | 43 254 247 | 45 407 158 | 47 746 587 |
| Social protection | | | | | | | | | |
| Social Services and Population Development | 1 919 117 | 1 971 715 | 2 316 453 | 2 481 874 | 2 473 682 | 2 477 431 | 2 613 663 | 2 750 063 | 2 887 567 |
| Total: Social protection | 1 919 117 | 1 971 715 | 2 316 453 | 2 481 874 | 2 473 682 | 2 477 431 | 2 613 663 | 2 750 063 | 2 887 567 |
| Total provincial payments and estimates by functional area | 77 654 340 | 84 610 682 | 91 610 205 | 96 189 306 | 96 713 071 | 96 498 696 | 101 961 237 | 106 882 456 | 112 773 383 |

Overview of Provincial Revenue and Expenditure

Table 1.F(b) : Details of function

| Function | Category | Department | Programme |
|---|--|--|---|
| General Public Services | Legislative | Office of the Premier Provincial Legislature | Administration Administration Parliamentary Business Members Remuneration Office of the MEC |
| | | All departments | |
| | General Services | Office of the Premier | Administration Institutional Development Policy and Governance |
| | | Transport Public Works | Administration Administration Property Management Provision of Buildings, Structures & Equipmt. |
| | General Policy & Administration | Co-operative Governance and Traditional Affairs | Administration Local Governance Development and Planning Traditional Institutional Management |
| Public Order & Safety | Financial & Fiscal Services | Provincial Treasury | Administration Fiscal Resource Management Financial Management Internal Audit |
| | | | |
| | Police Services | Community Safety & Liaison | Administration Civilian Oversight |
| | Economic Affairs | Economic Dev, Tourism and Enviro Affairs | Administration Integrated Econ Dev Services Trade and Sector Development Business Regulation and Governance Economic Planning Growth and Development |
| | | | |
| Economic Affairs | Agriculture | Provincial Treasury Agriculture and Rural Development | Administration Agriculture Rural Development |
| | | | |
| | Transport | Transport | Transport Infrastructure Transport Operations Transport Regulations Community Based Programme |
| | | | |
| | Environmental Protection | Economic Dev, Tourism and Enviro Affairs | Environmental Affairs |
| Housing & Community Amenities | Housing Development | Human Settlements | Administration Housing Needs, Research and Planning Housing Development Housing Asset Management, Property Mgt. |
| | | | |
| | Health | Health | District Health Services Health Facilities Management |
| | | | |
| | Hospital Services | Health | Administration District Health Services Emergency Medical Services Provincial Hospital Services Central Hospital Services Health Sciences & Training Health Care Support Services Health Facilities Management |
| Recreational, Culture and Religion | Sporting and recreational affairs services | Sport and Recreation | Administration Sport and Recreation |
| | | Arts and Culture | Administration Cultural Affairs Libraries and Archive Services |
| | Education | Office of the Premier | Institutional Development |
| | | Education | Public Ordinary School Education Early Childhood Development |
| | Secondary Education Phase | Education | Public Ordinary School Education |
| Education | Education Services not defined by level | Education | Public Special School Education Independent School Subsidies |
| | | | Agriculture (Structured Agric Training) Health Sciences and Training |
| | Subsidiary services to education | Agriculture and Rural Development Health | Administration Public Ordinary School Education Public Special School Education Early Childhood Development Infrastructure Development Examination and Education Related Services |
| | | | |
| | Subsidiary services to education | Education | Administration Public Ordinary School Education Public Special School Education Early Childhood Development Infrastructure Development Examination and Education Related Services |
| Social Protection | Social Security Services | Social Development | Administration Social Welfare Services Children and Families Restorative Services Development and Research |
| | | | |
| | Social Services and Population Development | Social Development | Administration Social Welfare Services Children and Families Restorative Services Development and Research |
| | | | |
| | Social Services and Population Development | Social Development | Administration Social Welfare Services Children and Families Restorative Services Development and Research |

Table 1.G : Donor funding and agency receipts

| Name of Donor Organisation | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|----------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| R thousand | | | | | | | | | |
| Donor funding | 19 346 | 26 768 | 30 874 | 73 860 | 72 544 | 79 766 | 53 410 | 45 650 | - |
| Office of the Premier | 9 066 | 24 079 | 24 079 | 26 829 | 26 829 | 34 553 | 12 894 | 6 450 | - |
| National Skills Fund | 8 991 | 16 079 | 16 079 | 16 079 | 16 079 | 23 803 | 6 444 | - | - |
| MERSETA | - | 8 000 | 8 000 | 10 750 | 10 750 | 10 750 | 6 450 | 6 450 | - |
| PSETA | 75 | - | - | - | - | - | - | - | - |
| Agriculture and Rural Development | 1 315 | 1 805 | 2 291 | 2 984 | 2 984 | 2 482 | - | - | - |
| World Health Organisation (Rabies project) | 1 315 | 1 805 | 2 291 | 2 984 | 2 984 | 2 482 | - | - | - |
| Education | 4 616 | - | - | - | - | - | - | - | - |
| Royal Netherlands Embassy | 4 616 | - | - | - | - | - | - | - | - |
| Provincial Treasury | - | - | - | 41 600 | 41 600 | 41 600 | 39 200 | 39 200 | - |
| KwaZulu-Natal Science Parks | - | - | - | 41 600 | 41 600 | 41 600 | 39 200 | 39 200 | - |
| Health | 4 231 | 884 | 3 677 | 331 | 331 | 331 | - | - | - |
| Aspen | 3 500 | - | - | - | - | - | - | - | - |
| Comrades Marathon | 10 | - | - | - | - | - | - | - | - |
| Conforth Investments | 151 | - | - | - | - | - | - | - | - |
| European Union | - | - | 2 000 | - | - | - | - | - | - |
| HWSETA Learnership - Bethesda Sub-Campus | 121 | - | - | - | - | - | - | - | - |
| HWSETA Learnership - Edendale Campus | - | 126 | - | - | - | - | - | - | - |
| HWSETA Learnership - Head Office | - | 199 | - | - | - | - | - | - | - |
| HWSETA Learnership - King Edward VIII Sub-Campus | 126 | 262 | - | - | - | - | - | - | - |
| HWSETA Learnership - Mosvold | - | - | - | - | - | - | - | - | - |
| HWSETA Learnership - Ngwelezane | - | - | 158 | - | - | - | - | - | - |
| HWSETA Learnership - Nkandla | - | 105 | - | - | - | - | - | - | - |
| HWSETA Learnership - Pharmacy | - | - | 28 | - | - | - | - | - | - |
| HWSETA Learnership - Prince Mshiyeni Hospital | - | - | - | - | - | - | - | - | - |
| HWSETA Learnership - St Aidan's | 323 | - | - | - | - | - | - | - | - |
| HWSETA Learnership - Social & Aux | - | 137 | - | - | - | - | - | - | - |
| HWSETA Learnership - Unemployed Graduates | - | - | - | - | - | - | - | - | - |
| HWSETA | - | - | 1 266 | 331 | 331 | 331 | - | - | - |
| Impumumelelo Trust Innovation | - | - | - | - | - | - | - | - | - |
| MRI Novartis Training | - | 55 | - | - | - | - | - | - | - |
| PSETA Learnership - Church of Scotland, Ekombe and Nkandla Hospitals | - | - | 225 | - | - | - | - | - | - |
| Co-operative Governance and Traditional Affairs | 118 | - | 827 | 2 116 | 800 | 800 | 1 316 | - | - |
| Development Bank of SA | 118 | - | 452 | - | - | - | - | - | - |
| Dept. of Prov. and Local Govt (DPLG) | - | - | 375 | 2 116 | 800 | 800 | 1 316 | - | - |
| Agency receipt | 8 517 | 7 585 | - | 8 500 | 8 500 | 1 264 | 3 792 | 2 528 | - |
| Transport | 8 517 | 7 585 | - | 8 500 | 8 500 | 1 264 | 3 792 | 2 528 | - |
| South African Road Agency Limited (SANRAL) | 8 517 | 7 585 | - | 8 500 | 8 500 | 1 264 | 3 792 | 2 528 | - |
| Total | 27 863 | 34 353 | 30 874 | 82 360 | 81 044 | 81 030 | 57 202 | 48 178 | - |

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

| Municipality | Vote 4 | | | Vote 6 | | | Vote 7 | Vote 8 | | | Vote 11 | | | Vote 14 | Vote 15 | | | | | Vote 16 | | Total |
|------------------------------------|--------|-----|-----|--------|-----|-----|---------|---------|--------|--------|---------|------|---------|---------|---------|--------|-------|--------|-------|---------|------|-------|
| | 4.1 | 6.1 | 6.2 | 6.3 | 6.1 | 6.2 | | 7.1 | 8.1 | 8.2 | 11.1 | 11.2 | 11.3 | | 14.1 | 15.1 | 15.2 | 15.3 | 15.4 | 16.1 | 16.2 | |
| eThekweni Ugu Municipalities | - | - | - | - | - | - | 105 000 | 100 000 | 18 228 | 16 000 | 250 | - | 221 809 | 4 390 | 119 622 | 35 750 | - | 30 000 | - | 634 799 | | |
| | - | - | - | - | - | - | - | - | 7 086 | 8 000 | - | - | 14 961 | - | 12 331 | 1 826 | - | - | 150 | 52 921 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 1 714 | - | - | - | - | - | - | 9 714 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 1 376 | - | 4 429 | 510 | - | - | - | 6 315 | | |
| | - | - | - | - | - | - | - | - | - | 8 000 | - | - | 3 744 | - | - | - | - | - | 150 | 11 894 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 4 344 | - | 553 | 170 | - | - | - | 5 067 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 239 | - | 553 | 170 | - | - | - | 962 | | |
| | - | - | - | - | - | - | - | - | 7 086 | - | - | - | 3 544 | 317 | 6 796 | 976 | - | - | - | 18 719 | | |
| | - | - | - | - | - | - | - | - | - | - | - | 250 | - | - | - | - | - | - | - | 250 | | |
| | - | - | - | - | - | - | - | - | 8 715 | - | - | 250 | - | 82 080 | 712 | 28 971 | 1 763 | - | 150 | 122 641 | | |
| uMgungundlovu Municipalities | - | - | - | - | - | - | - | - | - | - | - | - | 16 683 | - | 707 | 170 | - | - | - | 17 560 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 7 350 | 166 | 2 636 | 340 | - | - | - | 10 492 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 105 | 166 | 758 | 170 | - | - | - | 1 199 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 263 | - | 553 | 170 | - | - | - | 986 | | |
| | - | - | - | - | - | - | - | - | 8 715 | - | - | - | 56 993 | 380 | 23 057 | 552 | - | - | - | 89 697 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 630 | - | 553 | 191 | - | - | - | 1 374 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 56 | - | 707 | 170 | - | 150 | 1 083 | | | |
| | - | - | - | - | - | - | - | - | - | - | 250 | - | - | - | - | - | - | - | 250 | | | |
| | - | - | - | - | - | - | - | - | 3 696 | - | - | 250 | - | 39 130 | 649 | 7 434 | 1 423 | - | - | 52 582 | | |
| | - | - | - | - | - | - | - | - | 3 696 | - | - | - | 15 876 | 166 | 3 435 | 531 | - | - | - | 23 704 | | |
| Uthukela District Municipality | - | - | - | - | - | - | - | - | - | - | - | - | 1 729 | - | 553 | 191 | - | - | - | 2 473 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 13 440 | 317 | 2 020 | 340 | - | - | - | 16 117 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 5 040 | 166 | 719 | 191 | - | - | - | 6 116 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 3 045 | - | 707 | 170 | - | - | - | 3 922 | | |
| | - | - | - | - | - | - | - | - | - | - | 250 | - | - | - | - | - | - | - | - | 250 | | |
| | 250 | - | - | - | - | - | - | - | - | 16 000 | 250 | - | 26 718 | 546 | 5 307 | 1 083 | - | 10 000 | - | 60 154 | | |
| | - | - | - | - | - | - | - | - | - | 8 000 | - | - | 7 707 | 380 | 2 787 | 340 | - | 10 000 | - | 21 214 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 8 971 | - | 1 106 | 382 | - | - | - | 18 459 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 4 669 | - | 553 | 191 | - | - | - | 5 413 | | |
| | - | - | - | - | - | - | - | - | - | 8 000 | - | - | 5 371 | 166 | 861 | 170 | - | - | - | 14 568 | | |
| Amajuba Municipalities | - | - | - | - | - | - | - | - | - | - | 250 | - | - | - | - | - | - | - | - | 500 | | |
| | - | - | - | - | - | - | - | - | 4 750 | - | 250 | - | 10 839 | 317 | 6 733 | 850 | - | - | 300 | 24 039 | | |
| | - | - | - | - | - | - | - | - | 4 750 | - | - | - | 4 096 | 317 | 5 627 | 510 | - | - | 150 | 15 450 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 2 730 | - | 553 | 170 | - | - | 150 | 3 603 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 4 013 | - | 553 | 170 | - | - | - | 4 736 | | |
| | - | - | - | - | - | - | - | - | - | - | 250 | - | - | - | - | - | - | - | - | 250 | | |
| | - | - | - | - | - | - | - | - | - | - | 250 | - | - | - | - | - | - | - | - | 46 070 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 36 543 | 166 | 5 914 | 1 232 | 1 815 | 150 | 4 352 | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 3 150 | - | 861 | 191 | - | - | 150 | 4 655 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 3 363 | - | 952 | 340 | - | - | - | 9 595 | | |
| Zululand District Municipality | - | - | - | - | - | - | - | - | - | - | - | - | 6 300 | 166 | 2 789 | 340 | - | - | - | 19 430 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 5 250 | - | 553 | 170 | - | - | - | 5 973 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 18 480 | - | 759 | 191 | - | - | - | 19 430 | | |
| | - | - | - | - | - | - | - | - | - | - | 250 | - | - | - | - | - | 1 815 | - | - | 2 065 | | |
| | - | - | - | - | - | - | - | - | - | - | 1 100 | - | 23 397 | - | 6 105 | 850 | - | - | - | 31 452 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 10 272 | - | 1 396 | 170 | - | - | - | 11 838 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 5 565 | - | 827 | 170 | - | - | - | 6 562 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 2 100 | - | 677 | - | - | - | - | 2 777 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 3 150 | - | 827 | 170 | - | - | - | 4 147 | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | 2 310 | - | 2 378 | 340 | - | - | - | 5 028 | | |
| Umkhanyakude District Municipality | - | - | - | - | - | - | - | - | - | - | 1 100 | - | - | - | - | - | - | - | - | 1 100 | | |

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

| Municipality | | Vote 4 | | | Vote 6 | | | Vote 7 | | | Vote 8 | | | Vote 11 | | | Vote 14 | | | Vote 15 | | | | | Vote 16 | | Total |
|----------------------------|-----------------------------------|--------|-------|-------|--------|---------|---------|--------|--------|-------|--------|---------|--------|---------|--------|--------|---------|-------|-----------|---------|------|-----|--------|--|---------|--|-------|
| R thousand | | 4.1 | 6.1 | 6.2 | 6.3 | | 8.1 | 8.2 | | 11.1 | 11.2 | 11.3 | | 14.1 | 15.1 | 15.2 | 15.3 | 15.4 | | 16.1 | 16.2 | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| uThungulu Municipalities | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Umblozi | - | - | - | - | - | - | 1 047 | - | - | 250 | - | - | 23 832 | 672 | 11 434 | 2 061 | - | - | - | - | 300 | 39 596 | | | | |
| | uMhathuze | - | - | - | - | - | - | - | - | - | - | - | - | 520 | - | 553 | 170 | - | - | - | - | - | 1 243 | | | | |
| | Ntambanana | - | - | - | - | - | - | 1 047 | - | - | - | - | - | 10 712 | 166 | 6 289 | 1 020 | - | - | - | - | - | 19 234 | | | | |
| | uMlalazi | - | - | - | - | - | - | - | - | - | - | - | - | 840 | - | 553 | 170 | - | - | - | - | 150 | 1 713 | | | | |
| | Mthonjaneni | - | - | - | - | - | - | - | - | - | - | - | - | 3 360 | 506 | 2 933 | 361 | - | - | - | - | 150 | 7 310 | | | | |
| | Nkandla | - | - | - | - | - | - | - | - | - | - | - | - | 2 625 | - | 553 | 170 | - | - | - | - | - | 3 348 | | | | |
| | uThungulu District Municipality | - | - | - | - | - | - | - | - | - | - | - | - | 5 775 | - | 553 | 170 | - | - | - | - | - | 6 498 | | | | |
| Ilembe Municipalities | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Mandeni | 1 000 | - | - | - | - | - | 4 878 | - | 8 000 | 250 | - | - | 15 818 | 166 | 4 901 | 1 211 | - | - | - | - | 150 | 36 374 | | | | |
| | KwaDukuza | 1 000 | - | - | - | - | - | - | - | 8 000 | - | - | - | 728 | - | 1 454 | 510 | - | - | - | - | 150 | 10 842 | | | | |
| | Ndwedwe | - | - | - | - | - | - | 4 878 | - | - | - | - | - | 5 418 | 166 | 2 894 | 510 | - | - | - | - | - | 14 866 | | | | |
| | Maphumulo | - | - | - | - | - | - | - | - | - | - | - | - | 1 352 | - | 553 | 191 | - | - | - | - | - | 2 096 | | | | |
| | Ilembe District Municipality | - | - | - | - | - | - | - | - | - | 250 | - | - | 8 320 | - | - | - | - | - | - | - | - | 8 320 | | | | |
| Harry Gwala Municipalities | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Ingwe | - | 2 062 | 8 000 | - | - | - | - | - | 9 956 | 1 100 | 7 500 | 11 875 | - | - | - | 3 834 | 1 062 | - | - | - | 450 | 45 839 | | | | |
| | KwaSani | - | - | - | - | - | - | - | - | - | - | 7 500 | 2 288 | 191 | - | 861 | 191 | - | - | - | - | 150 | 10 990 | | | | |
| | Greater Kokstad | - | - | - | - | - | - | - | - | - | - | - | 776 | - | - | 553 | 170 | - | - | - | - | 150 | 1 649 | | | | |
| | Ubuhlebezwe | - | 2 062 | 8 000 | - | - | - | - | - | - | - | - | 816 | - | - | 1 314 | 340 | - | - | - | - | 150 | 12 682 | | | | |
| | Umzimkulu | - | - | - | - | - | - | - | - | 9 956 | - | - | 3 997 | - | - | 553 | 170 | - | - | - | - | - | 14 676 | | | | |
| | Harry Gwala District Municipality | - | - | - | - | - | - | - | - | - | - | - | - | 3 998 | - | 553 | 191 | - | - | - | - | - | 4 742 | | | | |
| Unallocated/unclassified | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Unallocated/unclassified | 1 000 | - | - | 233 | - | - | - | - | - | - | - | - | 60 | - | - | - | - | - | - | - | - | 1 293 | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | | 2 250 | 2 062 | 8 000 | 233 | 105 000 | 100 000 | 48 400 | 49 956 | 4 200 | 7 500 | 507 062 | 7 935 | 212 586 | 49 111 | 1 815 | 40 000 | 1 650 | 1 147 760 | | | | | | | | |

| Key | Grant Name | Key | Grant Name |
|------|---|------|----------------------------------|
| 4.1 | Dundee July | 15.1 | Museum subsidies |
| 4.2 | Greenest Municipality Competition | 15.2 | Provincialisation of libraries |
| 6.1 | Shayamoya eco-complex | 15.3 | Community Library Services grant |
| 6.2 | Development of a light industrial park | 15.4 | Art Centre (Operational costs) |
| 6.3 | Donations | 16.1 | Infrastructure |
| 7.1 | Subsidy: Municipal Clinics | 16.2 | Maintenance grant |
| 8.1 | CRU Programme | | |
| 8.2 | Operational costs for Accredited Municipalities | | |
| 11.1 | Massification Programme | | |
| 11.2 | Development Planning Shared Services | | |
| 11.3 | Construction of TSCs and CSOs | | |
| 14.1 | Property rates | | |

Table 1.H(ii) : Details of transfers to local government: 2016/17

| Municipality | Vote 4 | | Vote 6 | | Vote 7 | Vote 8 | | Vote 11 | | Vote 14 | Vote 15 | | | Vote 16 | | Total | |
|------------------------------------|-------------------------------------|-----|--------|-----|---------|--------|--------|---------|-------|---------|---------|--------|---------|---------|-------|-------|---------|
| | 4.1 | 6.1 | 6.2 | 6.3 | 7.1 | 8.1 | 8.2 | 11.1 | 11.2 | 11.3 | 14.1 | 15.1 | 15.2 | 15.3 | 15.4 | | 16.1 |
| R thousand | eThekweni | - | - | - | 111 048 | 60 000 | 15 820 | - | - | - | 235 842 | 4 623 | 127 804 | 36 055 | - | - | 591 192 |
| | Ugu Municipalities | - | - | - | - | - | 10 000 | - | 400 | - | 15 499 | 334 | 12 984 | 1 923 | - | - | 41 140 |
| | Vlamehlo | - | - | - | - | - | - | - | - | - | 1 748 | - | - | - | - | - | 1 748 |
| | Umdoni | - | - | - | - | - | - | - | - | - | 1 403 | - | 4 664 | 537 | - | - | 6 604 |
| | Umcumbe | - | - | - | - | - | - | - | - | - | 3 819 | - | - | - | - | - | 3 819 |
| | uMuziwabantu | - | - | - | - | - | - | - | - | - | 4 561 | - | 582 | 179 | - | - | 5 322 |
| | Eziqoleni | - | - | - | - | - | - | - | - | - | 246 | - | 582 | 179 | - | - | 1 007 |
| | Hibiscus Coast | - | - | - | - | - | - | 10 000 | - | - | - | 3 722 | 334 | 7 156 | 1 028 | - | 22 240 |
| | Ugu District Municipality | - | - | - | - | - | - | - | - | 400 | - | - | - | - | - | - | 400 |
| | uMgungundlovu Municipalities | - | - | - | - | - | - | 9 325 | - | 400 | - | 86 716 | 750 | 30 505 | 1 856 | - | 129 552 |
| Umkhanyakude District Municipality | uMshwathi | - | - | - | - | - | - | - | - | - | 17 684 | - | 744 | 179 | - | - | 18 607 |
| | uMngeni | - | - | - | - | - | - | - | - | - | 7 718 | 175 | 2 776 | 358 | - | - | 11 027 |
| | Mpofana | - | - | - | - | - | - | - | - | - | 107 | 175 | 799 | 179 | - | - | 1 260 |
| | Impendle | - | - | - | - | - | - | - | - | - | 276 | - | 582 | 179 | - | - | 1 037 |
| | Msunduzi | - | - | - | - | - | 9 325 | - | - | - | 60 231 | 400 | 24 278 | 581 | - | - | 94 815 |
| | Mkhambathini | - | - | - | - | - | - | - | - | - | 643 | - | 582 | 201 | - | - | 1 426 |
| | Richmond | - | - | - | - | - | - | - | - | - | 57 | - | 744 | 179 | - | - | 980 |
| | uMgungundlovu District Municipality | - | - | - | - | - | - | - | 400 | - | - | - | - | - | - | - | 400 |
| | Uthukela Municipalities | - | - | - | - | - | 5 000 | - | - | - | 41 103 | 684 | 7 827 | 1 488 | - | - | 57 312 |
| | Emnambithi/Ladysmith | - | - | - | - | - | 5 000 | - | - | - | 16 829 | 175 | 3 617 | 559 | - | - | 26 180 |
| Uthukela District Municipality | Indaka | - | - | - | - | - | - | - | - | - | 1 764 | - | 582 | 201 | - | - | 2 547 |
| | Umtshezi | - | - | - | - | - | - | - | - | - | 14 112 | 334 | 2 128 | 358 | - | - | 16 932 |
| | Okhahlamba | - | - | - | - | - | - | - | - | - | 5 292 | 175 | 756 | 201 | - | - | 6 424 |
| | Imbabazane | - | - | - | - | - | - | - | - | - | 3 106 | - | 744 | 179 | - | - | 4 029 |
| | Uthukela District Municipality | - | - | - | - | - | - | - | 1 200 | - | - | - | - | - | - | - | 1 200 |
| | Umqinyathi Municipalities | - | - | - | - | - | - | - | 400 | - | 27 723 | 575 | 5 587 | 1 140 | - | - | 35 425 |
| | Endumeni | - | - | - | - | - | - | - | - | - | 8 170 | 400 | 2 934 | 358 | - | - | 11 862 |
| | Nqutu | - | - | - | - | - | - | - | - | - | 9 151 | - | 1 164 | 402 | - | - | 10 717 |
| | Misinga | - | - | - | - | - | - | - | - | - | 4 763 | - | 582 | 201 | - | - | 5 546 |
| | Umvoti | - | - | - | - | - | - | - | - | - | 5 639 | 175 | 907 | 179 | - | - | 6 900 |
| Amajuba District Municipality | Umqinyathi District Municipality | - | - | - | - | - | - | - | 400 | - | - | - | - | - | - | - | 400 |
| | Amajuba Municipalities | - | - | - | - | - | 4 750 | - | 400 | - | 11 300 | 334 | 7 090 | 895 | - | - | 24 769 |
| | Newcastle | - | - | - | - | - | 4 750 | - | - | - | 4 301 | 334 | 5 926 | 537 | - | - | 15 848 |
| | eMadlangeni | - | - | - | - | - | - | - | - | - | 2 785 | - | 582 | 179 | - | - | 3 546 |
| | Dannhauser | - | - | - | - | - | - | - | - | - | 4 214 | - | 582 | 179 | - | - | 4 975 |
| | Amajuba District Municipality | - | - | - | - | - | - | - | 400 | - | - | - | - | - | - | - | 400 |
| | Zululand Municipalities | - | - | - | - | - | - | - | 400 | - | 38 360 | 175 | 6 230 | 1 297 | 1 911 | - | 48 373 |
| | eDumbe | - | - | - | - | - | - | - | - | - | 3 213 | - | 907 | 201 | - | - | 4 321 |
| | uPhongolo | - | - | - | - | - | - | - | - | - | 3 430 | - | 1 004 | 358 | - | - | 4 792 |
| | Abaqulusi | - | - | - | - | - | - | - | - | - | 6 615 | 175 | 2 937 | 358 | - | - | 10 085 |
| Zululand District Municipality | Nongoma | - | - | - | - | - | - | - | - | - | 5 513 | - | 582 | 179 | - | - | 6 274 |
| | Ulundi | - | - | - | - | - | - | - | - | - | 19 589 | - | 800 | 201 | - | - | 20 590 |
| | Zululand District Municipality | - | - | - | - | - | - | - | 400 | - | - | - | - | - | 1 911 | - | 2 311 |
| | Umkhanyakude Municipalities | - | - | - | - | - | - | - | 400 | - | 24 173 | - | 6 428 | 895 | - | - | 31 896 |
| | Umhlabuyalingana | - | - | - | - | - | - | - | - | - | 10 786 | - | 1 470 | 179 | - | - | 12 435 |
| | Jozini | - | - | - | - | - | - | - | - | - | 5 676 | - | 871 | 179 | - | - | 6 726 |
| | The Big 5 False Bay | - | - | - | - | - | - | - | - | - | 2 142 | - | 713 | - | - | - | 2 855 |
| | Hlabisa | - | - | - | - | - | - | - | - | - | 3 213 | - | - | 179 | - | - | 4 263 |
| | Mtubatuba | - | - | - | - | - | - | - | - | - | 2 356 | - | 2 503 | 358 | - | - | 5 217 |
| | Umkhanyakude District Municipality | - | - | - | - | - | - | - | 400 | - | - | - | - | - | - | - | 400 |

Table 1.H(ii) : Details of transfers to local government: 2016/17 (continued)

| Municipality | Vote 4 | Vote 6 | Vote 7 | Vote 8 | | Vote 11 | | Vote 14 | Vote 15 | | | Vote 16 | | Total | | | | |
|-----------------------------------|--------|--------|--------|--------|---------|---------|--------|---------|---------|------|---------|---------|---------|--------|-------|--------|-------|-----------|
| R thousand | 4.1 | 6.1 | 6.2 | 6.3 | 7.1 | 8.1 | 8.2 | 11.1 | 11.2 | 11.3 | 14.1 | 15.1 | 15.2 | 15.3 | 15.4 | 16.1 | 16.2 | |
| uThungulu Municipalities | | | | | | | | | | | | | | | | | | |
| Umkhosi | - | - | - | - | - | - | 1 047 | - | 400 | - | 24 804 | 732 | 12 039 | 2 156 | - | - | - | 41 178 |
| uMhlatuze | - | - | - | - | - | - | - | - | - | - | 530 | - | 582 | 179 | - | - | - | 1 291 |
| Ntambanana | - | - | - | - | - | - | 1 047 | - | - | - | 11 248 | 175 | 6 623 | 1 074 | - | - | - | 20 167 |
| uMlalazi | - | - | - | - | - | - | - | - | - | - | 857 | - | 582 | 179 | - | - | - | 1 618 |
| Mthonjaneni | - | - | - | - | - | - | - | - | - | - | 3 427 | 557 | 3 088 | 366 | - | - | - | 7 438 |
| Nkandla | - | - | - | - | - | - | - | - | - | - | 2 678 | - | 582 | 179 | - | - | - | 3 439 |
| uThungulu District Municipality | - | - | - | - | - | - | - | - | 400 | - | 6 064 | - | 582 | 179 | - | - | - | 6 825 |
| Ilembe Municipalities | | | | | | | | | | | | | | | | | | 400 |
| Mandeni | - | - | - | - | - | - | 4 878 | - | 400 | - | 16 203 | 175 | 5 161 | 1 275 | - | - | - | 28 092 |
| KwaDukuza | - | - | - | - | - | - | - | - | - | - | 757 | - | 1 531 | 537 | - | - | - | 2 825 |
| Ndwedwe | - | - | - | - | - | - | 4 878 | - | - | - | 5 981 | 175 | 3 048 | 537 | - | - | - | 14 219 |
| Maphumulo | - | - | - | - | - | - | - | - | - | - | 1 379 | - | 582 | 201 | - | - | - | 2 162 |
| Ilembe District Municipality | - | - | - | - | - | - | - | - | 400 | - | 8 486 | - | - | - | - | - | - | 8 486 |
| Harry Gwala Municipalities | | | | | | | | | | | | | | | | | | 400 |
| Ingwe | - | - | - | - | - | - | - | - | 400 | - | 12 148 | - | 4 036 | 1 118 | - | - | - | 17 702 |
| Kwa Sani | - | - | - | - | - | - | - | - | - | - | 2 334 | - | 907 | 201 | - | - | - | 3 442 |
| Greater Kokstad | - | - | - | - | - | - | - | - | - | - | 791 | - | 582 | 179 | - | - | - | 1 552 |
| Ubuhlebezwe | - | - | - | - | - | - | - | - | - | - | 833 | - | 1 383 | 358 | - | - | - | 2 574 |
| Umtinkulu | - | - | - | - | - | - | - | - | - | - | 4 077 | - | 582 | 179 | - | - | - | 4 838 |
| Harry Gwala District Municipality | - | - | - | - | - | - | - | - | - | - | 4 113 | - | 582 | 201 | - | - | - | 4 896 |
| Unallocated/unclassified | 1 000 | - | - | - | - | - | - | - | - | - | 60 | - | - | - | - | - | - | 400 |
| Total | 1 000 | - | - | 220 | 111 048 | 60 000 | 50 820 | - | 4 800 | - | 533 931 | 8 382 | 225 691 | 50 108 | 1 911 | 10 000 | 1 650 | 1 059 561 |

| Key | Grant Name | Key | Grant Name |
|------|---|------|----------------------------------|
| 4.1 | Dundee July | 15.1 | Museum subsidies |
| 4.2 | Greenest Municipality Competition | 15.2 | Provincialisation of libraries |
| 6.1 | Shayamoya eco-complex | 15.3 | Community Library Services grant |
| 6.2 | Development of a light industrial park | 15.4 | Art Centre (Operational costs) |
| 6.3 | Donations | 16.1 | Infrastructure |
| 7.1 | Subsidy: Municipal Clinics | 16.2 | Maintenance grant |
| 8.1 | CRU Programme | | |
| 8.2 | Operational costs for Accredited Municipalities | | |
| 11.1 | Massification Programme | | |
| 11.2 | Development Planning Shared Services | | |
| 11.3 | Construction of TSCs and CSCs | | |
| 14.1 | Property rates | | |

Table 1.H(iii) : Details of transfers to local government: 2017/18

| Municipality R thousand | Vote 4 | | Vote 6 | | Vote 7 | | Vote 8 | | Vote 11 | | | Vote 14 | | Vote 15 | | | | | Vote 16 | | Total |
|---------------------------------|--------|-----|--------|-----|---------|-----|--------|------|---------|------|---------|---------|---------|---------|-------|------|------|---------|---------|--|-------|
| | 4.1 | 6.1 | 6.2 | 6.3 | 7.1 | 8.1 | 8.2 | 11.1 | 11.2 | 11.3 | 14.1 | 15.1 | 15.2 | 15.3 | 15.4 | 16.1 | 16.2 | | | | |
| eThekweni Ugu Municipalities | - | - | - | - | 115 000 | - | 18 869 | - | - | - | 249 018 | 4 868 | 135 726 | 36 376 | - | - | - | 559 857 | | | |
| | - | - | - | - | - | - | 10 000 | - | - | - | 16 061 | 352 | 13 635 | 2 023 | - | - | - | 42 071 | | | |
| | - | - | - | - | - | - | - | - | - | - | 1 783 | - | - | - | - | - | - | 1 783 | | | |
| | - | - | - | - | - | - | - | - | - | - | 1 432 | - | 4 897 | 565 | - | - | - | 6 894 | | | |
| | - | - | - | - | - | - | - | - | - | - | 3 895 | - | - | - | - | - | - | 3 895 | | | |
| | - | - | - | - | - | - | - | - | - | - | 4 789 | - | 612 | 188 | - | - | - | 5 589 | | | |
| | - | - | - | - | - | - | - | - | - | - | 254 | - | 612 | 188 | - | - | - | 1 054 | | | |
| | - | - | - | - | - | - | 10 000 | - | - | - | 3 908 | 352 | 7 514 | 1 082 | - | - | - | 22 856 | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| uMgungundlovu Municipalities | - | - | - | - | - | - | 9 325 | - | - | - | 91 606 | 789 | 32 031 | 1 953 | - | - | - | 135 704 | | | |
| | - | - | - | - | - | - | - | - | - | - | 18 746 | - | 781 | 188 | - | - | - | 19 715 | | | |
| | - | - | - | - | - | - | - | - | - | - | 8 103 | 184 | 2 914 | 377 | - | - | - | 11 578 | | | |
| | - | - | - | - | - | - | - | - | - | - | 109 | 184 | 838 | 188 | - | - | - | 1 319 | | | |
| | - | - | - | - | - | - | - | - | - | - | 289 | - | 612 | 188 | - | - | - | 1 089 | | | |
| | - | - | - | - | - | - | 9 325 | - | - | - | 63 646 | 421 | 25 493 | 612 | - | - | - | 99 497 | | | |
| | - | - | - | - | - | - | - | - | - | - | 655 | - | 612 | 212 | - | - | - | 1 479 | | | |
| | - | - | - | - | - | - | - | - | - | - | 58 | - | 781 | 188 | - | - | - | 1 027 | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | 5 000 | - | - | - | 43 180 | 720 | 8 219 | 1 578 | - | - | - | 58 697 | | | |
| Uthukela Municipalities | - | - | - | - | - | - | 5 000 | - | - | - | 17 838 | 184 | 3 797 | 589 | - | - | - | 27 408 | | | |
| | - | - | - | - | - | - | - | - | - | - | 1 799 | - | 612 | 212 | - | - | - | 2 623 | | | |
| | - | - | - | - | - | - | - | - | - | - | 14 818 | 352 | 2 234 | 377 | - | - | - | 17 781 | | | |
| | - | - | - | - | - | - | - | - | - | - | 5 557 | 184 | 795 | 212 | - | - | - | 6 748 | | | |
| | - | - | - | - | - | - | - | - | - | - | 3 168 | - | 781 | 188 | - | - | - | 4 137 | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | - | - | - | - | 28 773 | 605 | 5 866 | 1 200 | - | - | - | 36 444 | | | |
| | - | - | - | - | - | - | - | - | - | - | 8 660 | 421 | 3 080 | 377 | - | - | - | 12 538 | | | |
| | - | - | - | - | - | - | - | - | - | - | 9 334 | - | 1 222 | 423 | - | - | - | 10 979 | | | |
| | - | - | - | - | - | - | - | - | - | - | 4 858 | - | 612 | 212 | - | - | - | 5 682 | | | |
| Unzinyathi Municipalities | - | - | - | - | - | - | - | - | - | - | 5 921 | 184 | 952 | 188 | - | - | - | 7 245 | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| Anajuba Municipalities | - | - | - | - | - | - | 4 750 | - | - | - | 11 780 | 352 | 7 446 | 941 | - | - | - | 25 269 | | | |
| | - | - | - | - | - | - | 4 750 | - | - | - | 4 516 | 352 | 6 222 | 565 | - | - | - | 16 405 | | | |
| | - | - | - | - | - | - | - | - | - | - | 2 840 | - | 612 | 188 | - | - | - | 3 640 | | | |
| | - | - | - | - | - | - | - | - | - | - | 4 424 | - | 612 | 188 | - | - | - | 5 224 | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| Zululand Municipalities | - | - | - | - | - | - | - | - | - | - | 41 519 | 184 | 6 540 | 1 366 | 2 007 | - | - | 51 616 | | | |
| | - | - | - | - | - | - | - | - | - | - | 3 277 | - | 952 | 212 | - | - | - | 4 441 | | | |
| | - | - | - | - | - | - | - | - | - | - | 3 499 | - | 1 053 | 377 | - | - | - | 4 929 | | | |
| | - | - | - | - | - | - | - | - | - | - | 6 946 | 184 | 3 084 | 377 | - | - | - | 10 591 | | | |
| | - | - | - | - | - | - | - | - | - | - | 5 788 | - | 612 | 188 | - | - | - | 6 588 | | | |
| | - | - | - | - | - | - | - | - | - | - | 22 009 | - | 839 | 212 | - | - | - | 23 060 | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| Umkhanyakude Municipalities | - | - | - | - | - | - | - | - | - | - | 24 980 | - | 6 750 | 940 | - | - | - | 32 670 | | | |
| | - | - | - | - | - | - | - | - | - | - | 11 325 | - | 1 543 | 188 | - | - | - | 13 056 | | | |
| | - | - | - | - | - | - | - | - | - | - | 5 790 | - | 915 | 188 | - | - | - | 6 893 | | | |
| | - | - | - | - | - | - | - | - | - | - | 2 185 | - | 749 | - | - | - | - | 2 934 | | | |
| | - | - | - | - | - | - | - | - | - | - | 3 277 | - | 915 | 188 | - | - | - | 4 380 | | | |
| | - | - | - | - | - | - | - | - | - | - | 2 403 | - | 2 628 | 376 | - | - | - | 5 407 | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |

Table 1.H(iii) : Details of transfers to local government: 2017/18 (continued)

| Municipality | Vote 4 | | Vote 6 | | Vote 7 | Vote 8 | | Vote 11 | | | Vote 14 | Vote 15 | | | | Vote 16 | | Total |
|-----------------------------------|--------|--|--------|-----|--------|---------|-------|---------|------|------|---------|---------|---------|--------|-------|---------|-------|-----------|
| | 4.1 | | 6.1 | 6.2 | | 6.3 | 8.1 | 8.2 | 11.1 | 11.2 | | 11.3 | 14.1 | 15.1 | 15.2 | 15.3 | 15.4 | |
| R thousand | | | | | | | | | | | | | | | | | | |
| uThungulu Municipalities | | | | | | | | | | | | | | | | | | |
| uMfolozi | - | | - | - | - | - | 1 047 | | - | - | 25 819 | 771 | 12 646 | 2 268 | - | - | - | 42 551 |
| uMhlatuze | - | | - | - | - | - | - | - | - | - | 541 | - | 612 | 188 | - | - | - | 1 341 |
| Ntambanana | - | | - | - | - | - | 1 047 | | - | - | 11 810 | 184 | 6 955 | 1 131 | - | - | - | 21 127 |
| uMlalazi | - | | - | - | - | - | - | - | - | - | 874 | - | 612 | 188 | - | - | - | 1 674 |
| Mthonjaneni | - | | - | - | - | - | - | - | - | - | 3 496 | 587 | 3 243 | 385 | - | - | - | 7 711 |
| Nkandla | - | | - | - | - | - | - | - | - | - | 2 731 | - | 612 | 188 | - | - | - | 3 531 |
| uThungulu District Municipality | - | | - | - | - | - | - | - | - | - | 6 367 | - | 612 | 188 | - | - | - | 7 167 |
| Ilembe Municipalities | | | | | | | | | | | | | | | | | | - |
| Mandeni | - | | - | - | - | - | 4 878 | | - | - | 16 598 | 184 | 5 420 | 1 342 | - | - | - | 28 422 |
| KwaDukuza | - | | - | - | - | - | - | - | - | - | 787 | - | 1 609 | 565 | - | - | - | 2 961 |
| Ndwedwe | - | | - | - | - | - | 4 878 | | - | - | 5 748 | 184 | 3 199 | 565 | - | - | - | 14 574 |
| Maphumulo | - | | - | - | - | - | - | - | - | - | 1 407 | - | 612 | 212 | - | - | - | 2 231 |
| Ilembe District Municipality | - | | - | - | - | - | - | - | - | - | 8 656 | - | - | - | - | - | - | 8 656 |
| Harry Gwala Municipalities | | | | | | | | | | | | | | | | | | - |
| Ingwe | - | | - | - | - | - | - | - | - | - | 12 479 | - | 4 240 | 1 177 | - | - | - | 17 896 |
| Kwa Sani | - | | - | - | - | - | - | - | - | - | 2 380 | - | 952 | 212 | - | - | - | 3 544 |
| Greater Kokstad | - | | - | - | - | - | - | - | - | - | 807 | - | 612 | 188 | - | - | - | 1 607 |
| Ukhlebezwe | - | | - | - | - | - | - | - | - | - | 849 | - | 1 452 | 377 | - | - | - | 2 678 |
| Umzimkulu | - | | - | - | - | - | - | - | - | - | 4 158 | - | 612 | 188 | - | - | - | 4 958 |
| Harry Gwala District Municipality | - | | - | - | - | - | - | - | - | - | 4 285 | - | 612 | 212 | - | - | - | 5 109 |
| Unallocated/unclassified | 1 000 | | - | - | 231 | | - | - | - | - | 60 | - | - | - | - | - | - | 12 941 |
| Total | 1 000 | | - | - | 231 | 115 000 | - | 53 869 | - | - | 561 873 | 8 825 | 238 519 | 51 164 | 2 007 | 10 000 | 1 650 | 1 044 138 |

| Key | Grant Name | Key | Grant Name |
|------|---|------|----------------------------------|
| 4.1 | Dundee July | 15.1 | Museum subsidies |
| 4.2 | Greenest Municipality Competition | 15.2 | Provincialisation of libraries |
| 6.1 | Shayamoya eco-complex | 15.3 | Community Library Services grant |
| 6.2 | Development of a light industrial park | 15.4 | Art Centre (Operational costs) |
| 6.3 | Donations | 16.1 | Infrastructure |
| 7.1 | Subsidy: Municipal Clinics | 16.2 | Maintenance grant |
| 8.1 | CRU Programme | | |
| 8.2 | Operational costs for Accredited Municipalities | | |
| 11.1 | Massification Programme | | |
| 11.2 | Development Planning Shared Services | | |
| 11.3 | Construction of TSCs and CSCs | | |
| 14.1 | Property rates | | |

**ESTIMATES
OF
PROVINCIAL REVENUE
AND
EXPENDITURE**

VOTE 1

Office of the Premier

| | |
|---------------------------------|---|
| Operational budget | R 741 132 132 |
| Remuneration of the Premier | R 2 081 868 |
| Total amount to be appropriated | R 743 214 000 |
| Responsible Executive Authority | The Premier |
| Administering department | Office of the Premier |
| Accounting officer | Director-General: Office of the Premier |

1. Overview

Vision

The vision of the Office of the Premier (OTP) is: *To be the centre of governance, providing leadership towards achieving KZN Vision 2030.*

Mission statement

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

- Promoting an integrated service delivery model.
- Enhancing cooperative governance within the province.
- Effective stakeholder management and communication.
- Enhancing performance management and accountability through monitoring and evaluation.

Strategic objectives

The *strategic policy direction* of the OTP is directly linked to national government's 14 outcomes and also informs the department's strategic objectives, as listed below:

- Integrate, co-ordinate and facilitate transversal policies, programmes, strategies, plans and systems of the province.
- Lead in macro planning and policy management to achieve the electoral mandate.
- Monitoring and evaluation of provincial government's programmes.
- Provide strategic leadership and direction for provincial government.
- Oversee the development and implementation of legislation.
- Promote inter and intra-governmental relations and good governance.

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

- To realise the existence of functional public policy and strategic planning management systems and processes for the provincial government.
- To achieve co-ordinated provincial policies, strategies and programmes.
- To ensure the existence of governance conditions conducive to respect for human rights, promotion of science and technology, and conservation and management of cultural heritage resources.
- To realise enhanced government communication and governance, human resources development, state law advisory services and service delivery in and by the provincial administration.

- To have in place co-ordinated and aligned policies and plans of the three spheres of government and foreign governments and agencies.
- To achieve effectively monitored and evaluated government policies and programmes.
- To enhance and promote the status of the Zulu Monarch and to establish the necessary institutional arrangements in support of the Zulu Monarchy and members of the Royal family.

Core functions

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

- To support the Premier as the head of the provincial government and the Executive Council and its sub-structures, and ensure constitutional and legal compliance.
- To co-ordinate provincial policy and planning processes.
- To provide provincial leadership and inter-departmental co-ordination.
- To promote co-operative and good governance.
- To provide transversal support services for human resource management, information technology, communications, legal and macro policy advisory services.
- To promote a culture of human rights consciousness and gender sensitivity across the province.
- To facilitate the smooth functioning of the Royal Household Trust (hereafter referred to as the RHT).
- To enable His Majesty, the King to participate in various government initiatives as an ambassador to KZN.

Legislative mandate

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

- The Constitution of the Republic of South Africa, 1996
- Public Service Act, 1994, as amended
- Public Finance Management Act, 1999, as amended and Treasury Regulations
- Preferential Procurement Policy Framework Act, 2000
- KwaZulu-Natal Provincial Supply Chain Management Policy Framework, 2006
- KwaZulu-Natal Youth Commission Act, 2005
- KwaZulu-Natal Heritage Act, 1997
- Public Service Regulations, 2001
- Labour Relations Act, 1995
- Employment Equity Act, 1998
- Basic Conditions of Employment Act, 1997
- Promotion of Access to Information Act, 2000
- Electronic Communications and Transactions Act, 2002
- State Information Technology Agency Act, 1999
- Promotion of Administrative Justice Act, 2000
- Promotion of Equality and Prevention of Unfair Discrimination Act, 2000
- Skills Development Act, 1998
- KZN Royal Household Trust Bill, 2015
- Traditional Leadership and Governance Framework Act, 2003
- KZN Traditional Leadership and Governance Act, 2005

2. Review of the 2014/15 financial year

Section 2 provides a review of 2014/15, outlining the main achievements and progress made by the department during the year, as well as giving a brief discussion on challenges and new developments.

It must be noted that Proclamation No. 83 of 2014, which was signed by the President of South Africa on 12 December 2014, combines Vote 10: The Royal Household with Vote 1: Office of the Premier. In line with the recommendations of the A-G, this combining is effective from 1 April 2015 and, therefore, the functions and budget of the Royal Household (including the transfer to the RHT) are added to Vote 1's functions and budget from 2015/16.

Provincial Information Communication Technology (PICT)

The Provincial Nerve Centre currently provides a complete and comprehensive view of service delivery performance and effectiveness of public sector services. Since its inception, the Nerve Centre has generated a number of critical dashboards for assessing the MTSF, 14 national outcomes' provincial performance, as well as the PGDP performance.

Provincial Planning Commission (PPC)

The functions of the PPC are similar to those of the National Planning Commission, and are to advise and make recommendations to the Premier and the Provincial Executive on a long-term strategic development perspective and vision of the province. The aim is to ensure coherence in policy development and planning across the provincial government, and strengthen performance monitoring and evaluation to enable assessment of the pace required to deliver on the desired outcomes.

A refined version of the PGDP and the fourth implementation report was presented to Cabinet and approved. Substantial progress was made with the strengthening of the institutional framework to drive the implementation of the PGDP with the establishment of 18 Action Work Groups (AWGs) reporting to the four Cabinet Clusters on a monthly basis. The 15 strategic integrated projects of the Presidential Infrastructure Co-ordinating Commission relevant to KZN were also incorporated into the focus areas of the AWGs to further improve alignment. Support was also rendered to the eThekweni Metro and all 10 district municipalities in the drafting of their District Growth and Development Plans, as well as to the Poverty and Makhathini Laboratories, which aim to fast-track the identification, planning and implementation of projects of all spheres of government in the Makhathini area, in line with the nation-wide Operation *Phakisa* programme of action.

International relations

The OTP was involved in strengthening international relations by promoting KZN as a preferred destination for trade, investment and tourism with the intention of portraying the province as the gateway to Africa and the world. Extensive liaison was carried out in collaboration with provincial departments, national departments, the diplomatic corps and global stakeholders to promote KZN in the international arena. Some key noteworthy activities in 2014/15 include:

- The province was the host of the African Economic Expansion Summit in Durban in November 2014, which promotes African development under the dual principle of African ownership and international partnership.
- A special engagement with the European Union diplomatic corps was hosted to reassure investor confidence and to market KZN as the preferred international destination for tourism and investment.
- During the Rainbow Push Conference hosted in Chicago and New York, the OTP participated and played an active role in terms of networking and marketing the province on a global platform which reaffirmed the significance of KZN's partnership with the American continent. This will assist the province in taking advantage of trade incentives offered by the African Growth Opportunities Act (AGOA).
- KZN was once again selected by the Department of International Relations and Co-operation (DIRCO) to conduct training for Heads of Mission Designees. As part of the orientation, DIRCO facilitates a visit every year to one of South Africa's provinces. The primary objective of provincial

visits is to provide Heads of Mission Designees with an overview of investment and economic development programmes undertaken by provincial governments to attract foreign direct investment.

- The process of drafting an international relations strategy for the province commenced. Once complete, the international relations strategy will be tabled at Cabinet and will thereafter serve as a blue print for the conduct of the province's international relations activities.

Protection of human rights

A campaign was undertaken to protect and generate respect for human rights by facilitating Gender, Disability, Children and Senior Citizens (GDCSC) rights awareness education campaigns, co-ordinating human rights issues and ensuring compliance with constitutional mandates. The OTP worked closely with district and local municipalities, municipal wards and civil society structures, etc., that deal with human rights and gender equality, including programmes on food security, greening of the environment, active ageing, behavioural change and inter-generational dialogues. Most war-rooms had capacitated focal persons to attend to issues of human rights violations, and food security projects assisted a number of families. These programmes aimed at achieving one of government's main goals, namely social cohesion.

Public service transformation

During the year, 1 687 HR practitioners and other employees from various provincial departments were trained on Human Resource Management practices and policies, PERSAL functionality and generic management and leadership development. The OTP convened various strategic Human Resource Management forums, such as the integrated Provincial Human Resource Management Forum, Provincial PERSAL Controllers Forum, Labour Relations Forum, Employee Health and Wellness Forum, Management Advisory Services Forum, etc.

The OTP hosted the first KZN Provincial Senior Management Seminar, which over 350 delegates attended, including Members of the Executive Council, Heads of Departments, Senior General Managers, General Managers and selected Senior Managers. The delegates were addressed by the Premier, the Minister of Public Service and Administration and other notable speakers, with a view to contributing toward the professionalisation of senior management in the public service and improving managers' ability to manage, thereby improving service delivery to the citizens at grass roots level.

Identity and heritage of the province

The OTP continued its efforts to co-ordinate the transformation and management of the heritage resources in the province. A few notable achievements in this regard are as follows:

- Ten heritage events were organised to profile previously marginalised heritage resources such as the unveiling of the tombstone on the grave of King Shaka's Prime Minister, Ngomane Mdletshe.
- With regard to the Heroes' Acre and Isandlwana Museum projects, the architectural designs are in place and the department is lobbying for funding from the national Lottery and the National Department of Arts and Culture for both of these projects.
- It must be noted that the department, specifically the Heritage unit, are in constant communication with the department's public entity Amafa aKwaZulu-Natali (hereafter referred to as Amafa), in resolving issues around finances and operations relating to the heritage function.

Operation Sukuma Sakhe (OSS)

OSS was endorsed as the best practice model for service delivery by the Deputy President in January 2014 in a ceremony with the Minister of Health, the Premier, and the Executive Director of UN AIDS. A best practice publication on OSS was unveiled. OSS also won the Health Innovators Review Award in 2014. In 2014/15, the OTP hosted Gauteng, Eastern Cape, Mpumalanga, Free State, Limpopo, DPSA, and the Presidency on a benchmarking study tour on OSS. In November 2014, OSS was a finalist in the DPSA *Batho Pele* Best Implemented Programme Awards.

His Majesty, the King's activities

As mentioned, a proclamation was signed in December 2014 combining the OTP and the Department of the Royal Household (DRH). As such, DRH was removed from the list of provincial departments and the allocation, powers, functions, assets, liabilities, rights, duties, obligations and employees of the abolished

DRH were transferred to the OTP. The combining of the two votes is being effected from 1 April 2015, in line with A-G recommendations. During 2014/15, His Majesty, the King undertook the following activities, among others:

- Participated in government events and ceremonies, such as the opening of the KZN Provincial Legislature, opening of Traditional House, as well as the inauguration ceremonies of the President of the Republic of South Africa and the Premier.
- Hosted various traditional events, such as the Reed Dance, First Fruits ceremony (*Umkhosi Woselwa*), *Amaganu* ceremonies, *Umkhosi woMama*, etc.
- Installed five *Amakhosi* statutorily and in terms of custom.

The Royal Household Trust (RHT)

The public entity, RHT received a transfer from the former DRH, and this will also be transferred to the OTP with effect from 1 April 2015. The support provided in 2014/15 was to enable the RHT to render administrative support pertaining to the activities of His Majesty, the activities of the Queens and other members of the Royal Household and the administration and payment of the Queens' remuneration (salaries, allowances and benefits). The RHT is also responsible for the administration and management of Royal palaces and Royal farms, as well as the administration and management of the payment of remuneration, allowances and subsistence and travel expenses and claims of Trustees and staff.

The transfer of staff from the former DRH to the entity was not finalised in 2014/15 as negotiations with organised labour were still continuing. It is anticipated that the staff transfer will be finalised before the end of 2015/16. Once the staff transfer has been finalised, there will be a small staff complement responsible for rendering administrative support services relating to His Majesty, the King and the RHT.

Amafa aKwaZulu-Natali (Amafa)

During 2014/15, the public entity Amafa continued with its mandate of the assessment and issuing of permit applications for alterations, repairs and demolition of qualifying built environment structures and archaeological-related work. Maintenance work at sites of historic significance were undertaken so as to preserve and/or conserve the heritage fabric of the province, while expanding the current resource levels. Development was undertaken at various sites such as (but not limited to) KwaDukuza, where there were extensive renovations undertaken, as well as the construction of a roadway at the uMgungundlovu Multi-Media Centre. In addition, markers and/or memorials were erected at various sites of heritage significance around the province. In an effort to accumulate and preserve knowledge regarding the history of KZN, various survey projects are earmarked for 2015/16.

3. Outlook for the 2015/16 financial year

Section 3 looks at the key focus areas of 2015/16, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

The bulk of the department's budget allocation is for cross-cutting and transversal activities, such as OSS, Luwamba Wellness Centre, Integrity Management, youth, Provincial Public Service Training Academy (hereafter referred to as the Training Academy), Nerve Centre, support to His Majesty, the King, as well as transfers to the two public entities, Amafa and the RHT. The department's 2015/16 MTEF budget includes funds for capacitating the Integrity Management unit. In 2015/16 and over the medium-term, the OTP will focus on the following priorities:

Monitoring and Evaluation

The OTP will reinforce the development and maintenance of an automated Monitoring and Evaluation System, to improve levels of accountability, efficiency and quality of reporting on the implementation of the PGDP. The implementation of the Management Performance Assessment Tool (MPAT) and monitoring of improvement plans across all provincial departments will be strengthened. Front line service delivery monitoring and citizen based monitoring will be intensified. The focus will be on expediting corrective action and the implementation of *Batho Pele* initiatives.

It must be noted that the OTP will take over the Monitoring and Evaluation function on 1 April 2015 from Provincial Treasury in line with this function moving from National Treasury to the Department of Performance, Monitoring and Evaluation (DPME) at a national level and Provincial Treasuries to OTPs in provinces. Therefore, as from 2015/16, the Quarterly Performance Reports (QPR) of all departments will be consolidated, analysed and validated by the OTP before submission to DPME. A comprehensive Monitoring and Evaluation capacitation programme will be developed for departments. It must be noted that funds were not allocated for this co-ordination function, but the OTP managed to reprioritise within its own budget to fund the function.

Provincial Planning Commission (PPC)

Key focus areas of the PPC will still be the implementation of the PGDP and supporting the AWGs to report effectively on progress with implementation. The PPC will continue to support the relevant line function departments in pursuing key interventions, such as the formalisation of rural settlements, the establishment of community service centres, the implementation of the provincial Human Resource Development strategy, renewable energy opportunities, etc.

Provincial Information Communication Technology (PICT)

The Provincial Performance Management system is fully functional and will be decentralised during 2015/16 to allow departments direct export of data at a district level. District information hubs will be established to allow for service delivery information to be managed, analysed and acted upon timeously. Continuous training on data management will be done to ensure good quality data is being produced. HIV and AIDS local data will be used to create district dashboards to identify variances, as well as to identify pockets of excellence in service delivery. The OTP will reinforce the development and maintenance of an automated monitoring and evaluation system, to improve levels of accountability, efficiency and quality of reporting on the implementation of all government programmes. This will be guided by the PGDS. Furthermore, the OTP will strengthen the implementation of MPAT, on the development and monitoring of improvement action plans across all departments.

International relations

For 2015/16, bilateral relations with KZN's partners, both in the developing and developed world, will continue to be utilised by the province to identify opportunities for political co-operation, climate change initiatives, as well as promoting KZN's socio-economic development. KZN will focus on strengthening economic diplomacy for the promotion of its trade, investment and tourism potential. The main focus of KZN's bilateral diplomacy will be to maintain and enhance sound bilateral political relations, promote trade and investment, intensify co-operation and capacity building in various fields, implement infrastructure development and promote peace and development. The years ahead will therefore see the international strategy oriented towards not only ensuring KZN's domestic success but also internationally, as a geopolitical and economic player at the global level.

Identity and heritage of the province

The department will, among others, seek to strengthen the District Heritage Forum structures in the province and continue with its phased approach in terms of their establishment. A pilot project, consisting of several District Heritage Forums, is already in place. The department will also continue with the identification, profiling and preservation of critical tangible and living heritage resources.

Protection of human rights

The OTP will continue to drive a campaign to protect and generate respect for human rights, by facilitating an education campaign, co-ordinating human rights issues and ensuring compliance with constitutional mandates, and the process of forming partnerships with municipalities in this regard will continue. Gender forums, as well as forums relating to rights of persons with disabilities, will be established at district and local municipalities and wards to *isigodi* (village) level. Women empowerment projects will be co-ordinated and critical stakeholders will be capacitated on gender mainstreaming. The active ageing campaign will be promoted throughout KZN and inter-generational programmes will be held. Human rights capacity building among local leadership and communities will be enhanced. The Human Rights Education campaign will be driven among community structures.

Public service transformation

A new approach in dealing with human resources related issues is envisaged, emanating from an approved organogram for the OTP. A task team has been dealing with the development of a revised structure. This will require new orientation of employees whose jobs have been modified and for those who find themselves in new work environments. Ongoing training will be facilitated for re-skilling purposes in partnership with the Training Academy. A need has been identified for the re-orientation of managers to assume their roles in managing people, and links with PILIR and Employee Health and Wellness will be established to look holistically at issues of the health and welfare of employees.

Operation Sukuma Sakhe (OSS)

The priorities and focus will include capacity building for war-room stakeholders by strengthening field worker teams and committees and improving war-room functionality to be fully functional. With regard to the selection of war-rooms to be resourced, focus will be on war-rooms that are in the most deprived wards as per the 2011 Census, to allow the department to address extreme poverty and the burden of disease at household and community level.

Support Services – His Majesty the King

From 1 April 2015, Vote 10 is incorporated into Vote 1, which includes His Majesty, the King and the RHT. The department is responsible for providing administration and auxiliary services to His Majesty, the King. The department is also responsible for His Majesty, the King's personal expenses, such as his salary, medical expenses, cell-phone bills, etc.

The Royal Household Trust (RHT)

The OTP, which will now assume responsibility as the parent department of the RHT, will give support to the RHT and funds will be transferred accordingly. These funds include the remuneration of the CEO, the staff and the five Board members, and the Queens' expenses. The upkeep of the Royal palaces is the responsibility of the RHT. In addition, the RHT provides for other costs such as tuition fees, transportation and medical expenses for the Royal Family, as well as the Royal farming activities.

Amafa aKwaZulu-Natali (Amafa)

The entity's focus areas include, among others, further improvements and maintenance to various heritage sites, implementation of water storage projects at Rorke's Drift and Spioenkop, repairs to rock art sites and construction of community memorials and markers. Amafa will continue its outreach programme to schools and communities, while also implementing new projects to commemorate significant historic struggles and the 1860 (Indian indentured labourers) settlers.

The most notable challenge will be the operational difficulties faced by the entity in carrying out of day-to-day tasks. However, over the 2015/16 MTEF, some funds were reprioritised from within the department to Amafa for the purchase of vehicles and salary related costs, which should assist in improving Amafa's operations. Furthermore, due to the specialised and intricate nature of work undertaken by Amafa, as well as the high costs associated with the engagement of requisite specialists, the sourcing of specialist service providers has become more difficult. Also, local municipalities fail to bear responsibility for sites under their control (Grade III sites), resulting in Amafa having to maintain such sites, without receiving the commensurate budget for such work.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 1.1 gives the sources of funding of Vote 1 over the seven-year period 2011/12 to 2017/18. The table also compares actual and budgeted receipts against actual and budgeted payments. The department receives a provincial allocation in the form of an equitable share. As previously mentioned, following the signing of the proclamation to combine Vote 10: The Royal Household with Vote 1: Office of the Premier, the budget of the Royal Household is now added to Vote 1's budget. The prior years have been adjusted for comparative purposes.

Table 1.1 : Summary of receipts and financing

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Equitable share | 505 868 | 627 773 | 673 615 | 704 442 | 675 028 | 675 028 | 709 214 | 746 934 | 784 281 |
| Conditional grants | - | - | - | - | - | - | - | - | - |
| Total receipts | 505 868 | 627 773 | 673 615 | 704 442 | 675 028 | 675 028 | 709 214 | 746 934 | 784 281 |
| Total payments | 524 129 | 697 795 | 721 074 | 751 370 | 745 112 | 745 112 | 743 214 | 746 934 | 784 281 |
| Surplus/(Deficit) before financing | (18 261) | (70 022) | (47 459) | (46 928) | (70 084) | (70 084) | (34 000) | - | - |
| Financing | | | | | | | | | |
| of which | | | | | | | | | |
| Provincial roll-overs | 8 000 | 5 650 | 8 774 | - | 12 994 | 12 994 | - | - | - |
| Provincial cash resources | 17 000 | 80 084 | 93 027 | 46 928 | 57 090 | 57 090 | 34 000 | - | - |
| Surplus/(Deficit) before financing | 6 739 | 15 712 | 54 342 | - | - | - | - | - | - |

In 2011/12, the department's allocation increased by R25 million due to the following adjustments:

- A roll-over of R8 million in respect of the 150-year commemoration of the arrival of the Indian indentured labourers.
- The department received provincial cash resources for the following:
 - R12 million for the provincial partnership agreement with the *Lungisisa Indlela* Village (LIV) Orphanage, a non-profit institution that was established to assist with building a holistic village to house and empower orphaned and vulnerable children.
 - R5 million, specifically allocated as once-off seed funding to establish (i.e. for the set-up and operational costs) the RHT, in line with a Cabinet resolution.

The 2011/12 budget was under-spent by R6.739 million, largely due to delays in the finalisation of the site for monuments relating to the commemoration of the arrival of Indian indentured labourers (R5.505 million), as well as due to under-spending on ring-fenced infrastructure funds by the Royal Household sub-programme.

The department's budget allocation was increased by R80.084 million in 2012/13 (reflected against provincial cash resources), for various purposes including essential rehabilitation and refurbishments at the Premier's Parkside residence, stipends in respect of the Youth Ambassadors programme, capital requirements of the Integrity Management unit, the Zimele Developing Community Self-Reliance project (hereafter referred to as Zimele), hosting of the AFCON, LIV Orphanage, higher than budgeted 2012 wage agreement, etc. Also in 2012/13, there was a roll-over of R5.650 million, mainly being the under-spending on funds which were specifically and exclusively appropriated for the rehabilitation, renovation and refurbishment of Royal Household palaces and in respect of office furniture and equipment that was ordered during 2011/12, but could not be delivered before financial year-end. The latter additional funds were largely once-off.

In 2012/13, the department under-spent its budget by R15.712 million, mainly due to the following:

- R3.310 million in respect of Zimele.
- R2.500 million in respect of establishment costs of the Rural Development Co-ordination unit.
- R5.701 million in respect of the refurbishment of the Premier's Parkside residence.
- R3.994 million largely relating to under-spending against ring-fenced infrastructure funds in respect of the Royal Household palaces, as explained above.

In 2013/14, OTP received additional funds which are included in both the equitable share and provincial cash resources in Table 1.1, as follows:

- R7.555 million in respect of Zimele.
- R5 million for the African Renaissance project.
- R31.603 million as a result of the decision by Cabinet to centralise parts of the communications budget under the OTP, with carry-through over the MTEF.

- R6.015 million for the centralisation of some external bursaries (i.e. departments like Health and Education are excluded from this process). This is attributed to a Cabinet decision to centralise external bursaries under the OTP, with carry-through over the MTEF.
- R14.234 million for the RTI Commission, being the fee for sittings to finalise the commissioners' report in respect of the people that died while doing physical tests for road traffic officer posts conducted by Department of Transport.
- R5 million for the OSS Diakonia Council of Churches.
- R3 million for spending on OSS initiatives, as identified by the Premier.
- R3.520 million for the launch and roll-out of the Inkululeko Development programme as part of the OSS initiatives.
- R10 million for the African Economic Expansion Summit that was hosted in KZN in March 2014.
- R31.112 million for the running and staffing costs of the Integrity Management unit. Of this, R5.700 million was suspended from the department and allocated back in 2014/15.
- R1.900 million for commemorating the St Helena prisoners of war to celebrate the link between the people of KZN and St Helena, as part of our heritage.
- R1.500 million for the procurement of once-off capital requirements associated with Amafa's turnaround strategy.
- R15.906 million in relation to Madiba's provincial memorial service.
- In line with Cabinet resolutions, the department was allocated funds from the Strategic Cabinet Initiatives Fund held under Vote 6: Provincial Treasury for the following:
 - R5 million for the National Choral Music Awards ceremony.
 - R5 million for the Crown Gospel Awards.
 - R500 000 for the BUNDUMIX Festival.
 - R500 000 for the fourth Annual uThungulu Last Dance Music Festival.

In 2013/14, there were roll-overs totalling R8.774 million, of which R4.865 million was in respect of the commemoration of 150-years of the arrival of Indian indentured labourers in KZN, as well as R3.909 million, of which R3.466 million was under-spending of Royal Household funds which were specifically and exclusively appropriated for the rehabilitation, renovation and refurbishment of palaces and R443 000 to cater for commitments for services such as consultants, accommodation, etc.

The 2013/14 under-spending of R54.342 million was due to savings in areas such as Integrity Management, the Youth Ambassadors' programme, Heritage, African Economic Expansion Summit, RTI Commission, etc.

In 2014/15, the department received an additional allocation of R62.090 million. This increase was offset by a reduction in allocation of R5 million, resulting in a net increase of R57.090 million, which was the amount appropriated in the 2014/15 Adjusted Appropriation. This is explained as follows:

- R46.928 million was received for the following:
 - R33.169 million for the capacitation of the Integrity Management unit. In addition, R5.700 million was suspended from 2013/14 also for the Integrity Management unit, as mentioned.
 - An additional R5 million for the OSS Diakonia Council of Churches.
 - Amafa was allocated an additional R3.059 million to apply for World Heritage status for the Emakhosini Valley.
- R3.136 million was allocated for transfer to Amafa. This amount relates to surplus funds from 2012/13, which Amafa surrendered to the Provincial Revenue Fund, with the understanding that these funds would be allocated back to them in 2014/15 to roll-out new projects.

- R4.226 million was allocated to the department, being the province's contribution to the construction of the Denis Hurley Centre, in Durban. The facility will include a primary health care clinic and TB screening, job readiness and skills training. The centre will assist the homeless, unemployed, refugees and will provide rehabilitation for substance abusers.
- R7.800 million in respect of the 20 years of democracy celebrations held on 27 April 2014.
- Offsetting this was a reduction of R5 million, which was specifically and exclusively appropriated funding for security strengthening during the 2014 general elections. These funds were not required by the OTP and were removed from its baseline and returned to the Provincial Revenue Fund.

The department also received roll-overs amounting to R12.994 million as follows:

- R2.994 million was rolled over from 2013/14 in respect of the RTI Commission due to an extension of the sittings into 2014/15 that impacted on the finalisation of the commissioners' report and the payment of commission fees was due only upon finalisation.
- R10 million was rolled over from 2013/14 for the African Economic Expansion Summit. Funds were received during the 2013/14 Adjustments Estimate and could not be spent due to the limited time to plan and host an event of that magnitude during 2013/14.

The department's budget is increased by R34 million in 2015/16 due to the following:

- R15 million for the construction of the pipeline at the Luwamba Wellness Centre could not be utilised in 2014/15 due to challenges experienced with various stakeholders, farmers and wards in terms of the appointment of the local community to assist with the project. The project is back on track and the revised completion date is June 2015. As such, these funds were suspended from 2014/15 and re-allocated to the department in 2015/16. It must be noted that these funds are specifically and exclusively appropriated.
- R14 million was specifically and exclusively appropriated for the equipping of war-rooms but was not utilised in 2014/15 due to a review of the war-rooms' software requirements by the Information Technology unit. The funds were therefore suspended from 2014/15 and are re-allocated back to the department in 2015/16.
- R5 million for the OSS Diakonia Council of Churches. These funds were allocated over a 3-year period using cash resources that became available in the 2013/14 Adjustments Estimate.

4.2 Departmental receipts

Table 1.2 below reflects details of departmental receipts per main category over the seven-year period: 2011/12 to 2017/18. Details of the department's revenue are reflected in *Annexure – Vote 1: Office of the Premier* and are discussed briefly below.

Table 1.2 : Summary of departmental receipts collection

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|------------|------------|--------------------|------------------------|------------------|-----------------------|------------|------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 172 | 170 | 191 | 257 | 257 | 256 | 230 | 245 | 258 |
| Transfers received | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | - | 5 | 4 | 1 | 1 | 2 | 1 | 1 | 1 |
| Sale of capital assets | 688 | 180 | 554 | 300 | 300 | 300 | 270 | 287 | 311 |
| Transactions in financial assets and liabilities | 99 | 567 | 157 | 30 | 30 | 333 | 35 | 40 | 42 |
| Total | 959 | 922 | 906 | 588 | 588 | 891 | 536 | 573 | 612 |

Sale of goods and services other than capital assets mainly comprises commission on PERSAL deductions such as insurance premiums and garnishee orders. Also included in this category are tender document fees which the department started charging in 2014/15 onward. The lower revenue projections over the MTEF, exclude revenue from parking fees as their implementation was placed in abeyance pending further consideration by the Director-General.

Interest, dividends and rent on land relates to interest on staff debts. It is difficult to project revenue from this category accurately due to its uncertain nature.

Sale of capital assets consists of revenue from the sale of redundant assets, such as motor vehicles and equipment. The revenue collected in 2011/12 and 2012/13 was in relation to the sale of redundant assets. The department is very conservative in terms of budgeting over the MTEF. It is difficult to forecast the sale of these assets with certainty due to the factors influencing revenue to be collected, such as age of the department's assets, as well as price attained at the auction.

Transactions in financial assets and liabilities is in respect of recoveries of staff debts and expenditure from previous financial years. The 2012/13 revenue represents funds returned from training workshops conducted during that financial year. In terms of inter-departmental agreements, the amount agreed upon per delegate for training was higher than the actual expenditure incurred. The 2014/15 Revised Estimate reflects an amount of R333 000, which is mainly from prior years' expenditure recoveries. The revenue grows slightly over the MTEF.

4.3 Donor funding

Tables 1.3 and 1.4 below reflect the details of donor funding for the period 2011/12 to 2017/18.

Table 1.3 : Details of donor funding

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---------------------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|--------------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Donor funding | 9 066 | 24 079 | 24 079 | 26 829 | 26 829 | 34 553 | 12 894 | 6 450 | - |
| National Skills Fund | 8 991 | 16 079 | 16 079 | 16 079 | 16 079 | 23 803 | 6 444 | - | - |
| MERSETA - Apprenticeships | - | 8 000 | 8 000 | 10 750 | 10 750 | 10 750 | 6 450 | 6 450 | - |
| PSETA | 75 | - | - | - | - | - | - | - | - |
| Total | 9 066 | 24 079 | 24 079 | 26 829 | 26 829 | 34 553 | 12 894 | 6 450 | - |

Table 1.4 : Details of payments and estimates of donor funding

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---------------------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|--------------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Donor funding | 9 066 | 24 079 | 24 079 | 26 829 | 26 829 | 34 553 | 12 894 | 6 450 | - |
| National Skills Fund | 8 991 | 16 079 | 16 079 | 16 079 | 16 079 | 23 803 | 6 444 | - | - |
| MERSETA - Apprenticeships | - | 8 000 | 8 000 | 10 750 | 10 750 | 10 750 | 6 450 | 6 450 | - |
| PSETA | 75 | - | - | - | - | - | - | - | - |
| Total | 9 066 | 24 079 | 24 079 | 26 829 | 26 829 | 34 553 | 12 894 | 6 450 | - |

The OTP, through the Training Academy, submitted a provincial funding proposal to the National Skills Fund (NSF) in 2010/11. An amount of R97.149 million was allocated from 2010/11 (not visible in the table) to 2015/16 to fund the following learning programmes:

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

The project has commenced and, of the 720 learners targeted, 675 have been recruited to date. Learners are at various stages of institutional and workplace training.

The department will be receiving R38.734 million from 2012/13 to 2016/17 from the Manufacturing, Engineering and Related Services Sector Education and Traditional Authority (MERSETA) for an Artisan Development Project that targets the training of 200 artisans in occupations in the manufacturing and engineering sector, and R8 million for the KZN Short Skills Training project in 2012/13 and 2013/14.

In addition, the department received donor funding of R75 000 in 2011/12 from PSETA for the development of a policy on accreditation.

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates by programme and economic classification.

Further details are given in Section 6 below, as well as in the *Annexure – Vote 1: Office of the Premier*.

5.1 Key assumptions

The following general assumptions were made by the department in formulating the 2015/16 budget:

- National Treasury imposed fiscal consolidation cuts on the equitable share and conditional grant allocations of provinces for 2015/16 and 2016/17. In KZN, the bulk of the equitable share cut is absorbed by reducing the Contingency Reserve, stopping of the Strategic Cabinet Initiatives Fund, etc. As part of the fiscal consolidation, National Treasury has not provided any funding for the carry-through costs of the 2014 wage agreement, and the department therefore had to fund these by internal reprioritisation and lowering growth of non-essential item budgets.
- All inflation related increases are based on CPI projections.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2014/15, will continue to be adhered to over the 2015/16 MTEF, in conjunction with National Treasury Instruction 01 of 2013/14: Cost-containment measures. The provincial cost-cutting measures have been updated to include those that were adopted by the Committee of Heads of Departments (COHODs) in December 2014.
- Provision was made for an inflationary wage adjustment of 5.6, 5.5 and 5 per cent for each of the three years of the 2015/16 MTEF, respectively. The department also provided for the 1.5 per cent pay progression.
- Provision was made through internal reprioritisation for the phased-in filling of vacant posts in terms of the revised organisational structure, taking into account the moratorium on the filling of non-critical vacant posts.

5.2 Additional allocations for the 2013/14 to 2015/16 MTEF

Table 1.5 shows additional funding received by the department over the three MTEF periods: 2013/14, 2014/15 and 2015/16.

Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants.

The purpose of such a table is two-fold. Firstly, it shows the quantum of additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated.

The carry-through allocations for the 2013/14 and 2014/15 MTEF periods (i.e. for the financial year 2017/18) are based on the incremental percentage used in the 2015/16 MTEF.

Table 1.5 : Summary of additional provincial allocations for the 2013/14 to 2015/16 MTEF

| R thousand | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|--|--------------|-----------------|-----------------|-----------------|-----------------|
| 2013/14 MTEF period | 8 227 | (18 832) | (23 360) | (24 435) | (25 657) |
| Census data update and 1%, 2% and 3% baseline cuts | (9 193) | (18 832) | (23 360) | (24 435) | (25 657) |
| Zimele Developing Community Self-Reliance | 7 555 | - | - | - | - |
| Roll-over: 150-year commemoration of Indian indentured labourers | 4 865 | - | - | - | - |
| African Renaissance project | 5 000 | - | - | - | - |
| 2014/15 MTEF period | | 101 194 | 57 751 | 55 522 | 58 629 |
| Carry-through of previous wage agreements | | 1 626 | 3 141 | 3 630 | 4 142 |
| Re-grading of clerical staff (Royal Household) | | 200 | 200 | 200 | 210 |
| Suspension of parts of Integrity Management funds from 13/14 | | 5 700 | - | - | - |
| Re-allocation of funding for Luwamba Wellness Centre in Ntambanana | | - | (31 380) | (32 823) | (34 464) |
| Integrity Management unit | | 33 169 | 31 380 | 32 823 | 34 464 |
| OSS Diakonia Council of Churches | | 5 000 | 5 000 | - | - |
| Amafa - World Heritage status for Emakhosini Valley | | 3 059 | - | - | - |
| Elections - Security strengthening | | 5 000 | - | - | - |
| Centralisation of communications budget under OTP | | 35 593 | 37 144 | 38 862 | 40 805 |
| Centralisation of external bursaries budget under OTP | | 11 847 | 12 266 | 12 830 | 13 472 |
| 2015/16 MTEF period | | | 65 071 | 38 094 | 39 999 |
| Suspension of Luwamba Wellness Centre funds from 14/15 | | | 15 000 | - | - |
| Suspension of OSS equipping of war-rooms funds from 14/15 | | | 14 000 | - | - |
| Correction of DARD communications budget | | | (6 729) | (7 065) | (7 418) |
| Correction of DARD bursaries budget | | | (1 889) | (1 957) | (2 055) |
| Vote 10: Royal Household budget moved to Vote 1 | | | 56 536 | 59 549 | 62 526 |
| Decentralisation of bursaries budget | | | (11 847) | (12 433) | (13 054) |
| Total | 8 227 | 82 362 | 99 462 | 69 181 | 72 971 |

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

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

The department received additional funding in the 2014/15 MTEF for the following:

- The carry-through costs of previous wage agreements, as well as re-grading of clerical staff (specifically for DRH), with carry-through over the MTEF.
- Once-off additional funding for the Integrity Management unit. This includes R33.169 million, as well as R5.700 million, with the latter being a suspension of parts of the Integrity Management funds from 2013/14. From 2015/16, OTP has agreed to redirect the funds allocated for the development of the Luwamba Wellness Centre toward the running of the Integrity Management unit. The funds will no longer be needed for the Luwamba Wellness Centre beyond 2014/15 but remain in OTP's baseline.
- R5 million was allocated for security strengthening during the 2014 general elections.
- R5 million for 2014/15 and 2015/16 for the OSS Diakonia Council of Churches.
- Once-off additional funding of R3.059 million for Amafa with regard to the application for World Heritage status for the Emakhosini Valley.
- Carry-through funding for the centralisation of parts of the communications budget under OTP.
- Carry-through funding for the centralisation of the external bursaries budget under OTP.

The department received additional funding in the 2015/16 MTEF for the following:

- Following the signing of the proclamation to combine Vote 10: The Royal Household with Vote 1: Office of the Premier, the budget of the Royal Household is added to Vote 1's budget with effect from 1 April 2015. Note that a portion of the Royal Household budget is not available for spending,

though, as the Royal Household still bears a first charge, which must be honoured in 2015/16 and 2016/17.

- Following a Cabinet decision in this regard, the bursaries budget, which was previously centralised under the OTP, is now being decentralised back to all the departments from which the budget was previously moved.
- R15 million, which was suspended from 2014/15, is being re-allocated back to the department for the construction of the pipeline at the Luwamba Wellness Centre as this could not be utilised due to the challenges experienced with the various stakeholders, farmers and wards in terms of the appointment of the local community to assist with the project. The project is back on track and the revised completion date is June 2015.
- R14 million, which was suspended from 2014/15, is being re-allocated back to the department, and is specifically and exclusively appropriated for the equipping of war-rooms in the wards.
- The OTP's budget was reduced by R8.618 million with carry-through for re-allocation back to DARD as DARD inadvertently submitted inflated figures in respect of both the centralisation of communications budget (R6.729 million) and external bursaries budgets (R1.889 million), as they had incorrectly shown that their full communications budget should be centralised under the OTP, as well as surrendered more than required in respect of external bursaries.

5.3 Summary by programme and economic classification

Tables 1.6 and 1.7 below summarise payments and estimates by programme and economic classification.

The structure of the department consists of three programmes, and does not conform fully to the generic programme structure of the sector at this stage, and this is in the process of being reviewed by the department. The Heritage sub-programme is included under Vote 1: Office of the Premier in this province, although Heritage forms part of the uniform programme and budget structure for the Sport, Arts and Culture sector. Also, following the signing of the proclamation to combine Vote 10 with Vote 1, the budget of the Royal Household is added to Vote 1's budget as a sub-programme under Programme 3, effective from 1 April 2015. Historic figures have been adjusted accordingly in respect of this amalgamation.

In addition to the above, the department has effected several minor changes to its programme structure in an effort to enhance operational efficiency. These include the movement of the Intergovernmental Relations and Special Programmes sub-programmes from Programme 3 to Programme 2, as well as several other responsibilities such as Auxiliary Services and Security Services from Programme 1 to Programme 2. The department was unable to adjust prior year comparatives for these adjustments across sub-programmes due to financial records not being kept at this level.

It must be noted that, following the signing of the proclamation to amalgamate Vote 1 and Vote 10, as previously mentioned, the baseline available for Programme 3 has been reduced by the first charge (shown below the total line) that was imposed on Vote 10 and must therefore be honoured in line with a SCOPA resolution. The first charge has to be paid over two financial years to increase its affordability by the department.

Table 1.6 : Summary of payments and estimates by programme: Office of the Premier

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| R thousand | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 110 761 | 156 363 | 184 940 | 205 990 | 197 713 | 197 713 | 120 137 | 104 801 | 110 041 |
| 2. Institutional Development | 169 679 | 202 297 | 225 853 | 245 780 | 249 011 | 249 011 | 297 448 | 314 217 | 329 928 |
| 3. Policy and Governance | 243 689 | 339 135 | 310 281 | 299 600 | 298 388 | 298 388 | 325 629 | 327 916 | 344 312 |
| Total | 524 129 | 697 795 | 721 074 | 751 370 | 745 112 | 745 112 | 743 214 | 746 934 | 784 281 |
| Unauth. Exp. (1st charge) not available for spending | (3 767) | (1 800) | (2 500) | (2 500) | (2 500) | (2 500) | (2 500) | (2 194) | - |
| Baseline available for spending after 1st charge | 520 362 | 695 995 | 718 574 | 748 870 | 742 612 | 742 612 | 740 714 | 744 740 | 784 281 |

Table 1.7 : Summary of payments and estimates by economic classification: Office of the Premier

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 449 835 | 570 960 | 605 567 | 645 133 | 616 887 | 616 887 | 642 487 | 645 400 | 679 973 |
| Compensation of employees | 172 688 | 232 908 | 213 622 | 254 155 | 217 008 | 217 008 | 262 949 | 272 980 | 286 629 |
| Goods and services | 277 147 | 338 052 | 391 945 | 390 978 | 399 879 | 399 879 | 379 538 | 372 420 | 393 345 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 55 549 | 80 880 | 71 623 | 76 544 | 84 269 | 84 269 | 67 411 | 69 034 | 72 487 |
| Provinces and municipalities | 21 | 15 063 | 19 | 23 | 49 | 49 | 60 | 65 | 69 |
| Departmental agencies and accounts | 35 357 | 36 960 | 44 395 | 54 406 | 50 492 | 50 492 | 58 392 | 59 572 | 62 551 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and int. organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 12 000 | 8 030 | - | - | 4 226 | 4 226 | - | - | - |
| Households | 8 171 | 20 827 | 27 209 | 22 115 | 29 502 | 29 502 | 8 959 | 9 397 | 9 867 |
| Payments for capital assets | 14 971 | 43 959 | 41 353 | 27 193 | 41 456 | 41 456 | 30 816 | 30 306 | 31 820 |
| Buildings and other fixed structures | 2 527 | 12 743 | 24 272 | 16 760 | 24 560 | 24 560 | 19 629 | 19 299 | 20 264 |
| Machinery and equipment | 4 454 | 6 888 | 12 734 | 5 373 | 8 836 | 8 816 | 6 925 | 6 380 | 6 699 |
| Heritage assets | 1 722 | 10 794 | 4 347 | 5 000 | 8 000 | 8 020 | 4 200 | 4 462 | 4 684 |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | 7 018 | - | - | - | - | - | - | - |
| Software and other intangible assets | 6 268 | 6 516 | - | 60 | 60 | 60 | 62 | 165 | 173 |
| Payments for financial assets | 3 774 | 1 996 | 2 531 | 2 500 | 2 500 | 2 500 | 2 500 | 2 194 | - |
| Total | 524 129 | 697 795 | 721 074 | 751 370 | 745 112 | 745 112 | 743 214 | 746 934 | 784 281 |
| Unauth. Exp. (1st charge) not available for spending | (3 767) | (1 800) | (2 500) | (2 500) | (2 500) | (2 500) | (2 500) | (2 194) | - |
| Baseline available for spending after 1st charge | 520 362 | 695 995 | 718 574 | 748 870 | 742 612 | 742 612 | 740 714 | 744 740 | 784 281 |

The substantial increase from 2012/13 is attributed to additional funding received for the LIV Orphanage, refurbishment and renovations of the Training Academy, the Youth Ambassadors programme and the training of the youth ambassadors by the South African National Defence Force (SANDF), the Luwamba Wellness Centre, as well as funding toward equipping war-rooms in relation to OSS. The department received additional funding in 2014/15 for the Integrity Management unit, as well as OSS and the centralisation of the external bursaries and parts of the communications budgets under the OTP. However, most of the funding received in 2013/14 and even 2014/15 (Integrity Management unit), is largely once-off, which accounts for the decrease in the 2014/15 Main Appropriation. The 2014/15 Adjusted Appropriation was further reduced mainly by suspensions in respect of the Luwamba Wellness Centre, as well as OSS equipping of war-rooms, with the understanding that it would be re-allocated back to the department in 2015/16. The budget decreases in 2015/16, mainly due to the fact that the OTP received substantial once-off funding in the previous MTEF, as well as the fact that the bursaries budget is once again decentralised back to those departments from which the funds were originally moved.

The spending against Programme 1: Administration increases significantly in 2012/13, largely as a result of additional funding for the provision of piped water and proper roads to the Luwamba Wellness Centre in the Ntambanana Municipality. The increase in 2013/14 is largely ascribed to additional funding for the hosting of the AFCON tournament and the RTI Commission. The increase in 2014/15 is a result of additional funding for the capacitation of the Integrity Management unit. However, it must be noted that, during the 2014/15 Adjusted Appropriation, there was a deduction of R2.781 million relating to previous year's irregular expenditure. As previously mentioned, from 2015/16, the OTP has agreed to redirect the funds allocated for the development of the Luwamba Wellness Centre towards the running of the Integrity Management unit. The 2015/16 allocation is higher than 2016/17 as it includes the suspension of funds for the Luwamba Wellness Centre from 2014/15. These funds will not be required beyond 2015/16 but remain in the baseline, and are redirected to fund the running costs of the Integrity Management unit.

The significant increase in Programme 2: Institutional Development from 2012/13 is attributed to the additional funding received for the refurbishment and renovations of the Training Academy. The growth from 2012/13 to 2013/14 is due to the decision by the department to stop spending on the Training Academy in 2012/13, after it had been taken over by the Department of Education (DOE). There is a substantial increase in 2013/14 and 2014/15 as a result of the centralisation of parts of the communications and the external bursaries budgets under the OTP. The increase in the 2014/15 Adjusted Appropriation was mainly due to a shift from *Compensation of employees* in Programme 3 to this programme against

Transfers and subsidies to: Households to cater for the Provincial Bursary Programme for external bursaries. However, the bursaries budget is being decentralised over the 2015/16 MTEF back to the departments from which the funds were originally moved, as previously mentioned.

Programme 3: Policy and Governance received additional funding for the Youth Ambassadors' programme, operational costs of the Emakhosini Multi-Media Centre, the PPC and the Nerve Centre. The increase was also due to once-off additional funding for the LIV Orphanage in 2011/12. In 2012/13, various projects received additional funding, such as the Youth Ambassadors' programme, OSS, African Renaissance, etc. Most additional funds in 2012/13 and 2013/14 were largely once-off such as youth ambassador training by SANDF, roll-over of Indian indentured labourer funds, etc., thus explaining the decrease in 2014/15. The 2014/15 amount includes once-off additional funding allocated to Amafa for its application for World Heritage status for the Emakhosini Valley. The increase over the 2015/16 MTEF is attributed to the movement of funds originally earmarked for the Youth Ambassadors' programme from Programme 2 to Programme 3, to fund the newly established Youth chief directorate. As mentioned, comparatives were not restated.

Compensation of employees reflects a significant increase from 2011/12 onward as a result of additional funds received for the Youth Ambassadors' programme. The decrease from 2012/13 to 2013/14 is a result of the decrease in the appointment of youth ambassadors from 3 024 to 1 966, in an effort to match the budget, as well as the moratorium on the filling of non-critical vacant posts. The decrease in the 2014/15 Adjusted Appropriation relates to the reprioritisation of youth ambassadors' stipends to offset other pressures in respect of the youth. The implementation of the new organisational structure is anticipated to take place in a phased-in approach, and hence the steady increase over the MTEF with full implementation having been achieved by 2017/18. The 2015/16 MTEF is growing steadily. The department has undertaken extensive reprioritisation within its own baseline to cater for the full revised organogram of 655 posts to be implemented over the 2015/16 MTEF. The department is anticipating that all posts will be filled by the end of 2017/18 using the phased-in approach and taking into consideration the moratorium on the filling of non-critical vacant posts.

Goods and services increases substantially in 2012/13 as a result of additional funding received for the *Amadelakufa* awards, once-off set-up costs of the Integrity Management unit, Zimele, once-off establishment costs of the HRD Council, 2012 Career Exhibition, Choral Music Awards, Presidential *Imbizo*, establishment of the Rural Development co-ordination component, establishment of the KZN Climate Change Council, OSS projects, African Renaissance, as well as for the Provincial Prayer day. Most additional funds in 2012/13 and 2013/14 were once-off, such as Zimele, African Renaissance, etc., explaining the reduction in 2014/15. There is an increase in the 2014/15 Adjusted Appropriation mainly due to the approved roll-overs, such as RTI Commission and African Economic Expansion Summit. However, offsetting this was a deduction of R2.781 million relating to previous year's irregular expenditure. Accounting for the reduction in 2015/16 is the shifting of funds in respect of the Training Academy to the *Buildings and other fixed structures* category as a new building will be constructed. This decrease is despite the fact that, in 2015/16, there is a re-allocation of funds for the Luwamba Wellness Centre, OSS projects, which were suspended in 2014/15, as well as additional funding for OSS Diakonia Council of Churches. The dip in 2016/17 can be ascribed to the re-allocation of funds being once-off in 2015/16 only.

The category *Transfers and subsidies* decreased from 2012/13 to 2013/14 and increases over the 2015/16 MTEF, as follows:

- *Provinces and municipalities* generally caters for the payment of motor vehicle licences. The high expenditure in 2012/13 is due to once-off additional funding for hosting AFCON in KZN, with this being undertaken jointly with the eThekwin Metro. There is steady growth over the 2015/16 MTEF in respect of motor vehicle licences.
- *Departmental agencies and accounts* caters for transfers to Amafa and the RHT. Amafa receives additional funding of R3.059 million in 2014/15 for its application for World Heritage status for the Emakhosini Valley, accounting for the increase in the 2014/15 Main Appropriation. The 2015/16 MTEF grows steadily and takes into cognisance the amalgamation of DRH and OTP, with the latter

now including the transfers to RHT. From 2015/16, R5 million, R3.350 million and R3.518 million were reprioritised within the department's baseline to increase transfers to Amafa for the purchase of vehicles and salary related costs.

- With regard to *Non-profit institutions*, amounts of R12 million in 2011/12 and R8 million in 2012/13 were allocated for the LIV Orphanage. This was to assist the orphanage with building a holistic village both to house vulnerable and orphaned children, to empower them to be self-employed and to sustain a reasonable livelihood by learning basic skills. An amount of R30 000 in 2012/13 relates to a donation to the Khulani Production Artist Theatre for a graduation ceremony to honour students that completed the Arts and Skills courses. An amount of R4.226 million was allocated in the 2014/15 Adjusted Appropriation, as the province's contribution to the construction of the Denis Hurley Centre in Durban. The facility will include a primary health care clinic and TB screening, job readiness and skills training. The centre will assist the homeless, unemployed, refugees and will provide rehabilitation for substance abusers.
- *Households* consists of staff exit costs, medical aid contributions for ex-parliamentarians (PARMED), the Provincial Bursary programme, etc. This category reflects fluctuations due to staff exit costs, which are difficult to accurately predict. The amounts in 2011/12 and 2012/13 are as a result of savings identified from the funds for PILIR and allocated to the Provincial Bursary programme, as well as the funds received from an inter-departmental account in respect of the Provincial Bursary programme from other departments. In the 2014/15 Adjusted Appropriation, the department undertook a once-off shift from *Compensation of employees* to this category, as a result of the discontinuation of the Youth Ambassadors' programme stipends to cater for the in-year spending pressure in respect of bursaries. This accounts for the significant dip in the 2015/16 MTEF, over and above the decision to decentralise the external bursaries budget back to the departments from which the funds were originally moved.

With regard to *Buildings and other fixed structures*, the department's budget was increased in 2011/12 in line with a funding request, from the former DRH, which indicated that the palaces were in dire need of renovations and repairs. The department commenced with the renovations and refurbishment of two palaces – i.e. KwaKhethomthandayo and KwaDlamahlahla. The department, however, did not fully spend the funds allocated for renovations and refurbishment of palaces in 2011/12, due to delays in the implementation of certain infrastructure projects, as His Majesty, the King was not completely satisfied with the infrastructure plan. The increase in 2012/13 comprises a roll-over of R5.383 million relating to 2011/12 unspent funds ring-fenced for Royal Household infrastructure projects, while only R5 000 was spent on renovations to the Premier's Parkside residence in 2012/13. During 2013/14, the department also received a roll-over of R5.701 million for the balance of the roof renovations to the Premier's Parkside residence, as well as a roll-over of R3.466 million relating to 2012/13 unspent funds, which were ring-fenced for infrastructure projects, such as the Ingwavuma palace upgrade due to the fact that the contractor abandoned the project in the same period. The Training Academy building was claimed back by DOE in 2012/13 to assist educators with continuous professional development. The Training Academy still continues to function from its current location, and the department, together with DOPW, have identified a site in Westville to build the new Training Academy. The bulk of the 2015/16 MTEF allocations are therefore set aside for the construction of a new Training Academy, with construction anticipated to commence in 2015/16, the completion of existing projects such as the Ingwavuma palace project, as well as renovations to administration buildings. The department reprioritised funds for the Ingwavuma palace project from within its baseline.

Machinery and equipment relates to the purchase of essential office furniture and equipment for new appointments and the purchase of official vehicles. The increase in 2012/13 relates to funds reprioritised within *Payments for capital assets* for the Nerve Centre, as indicated below. The amount in 2013/14 is high due to reprioritisation undertaken to purchase office furniture for new appointments, the replacement of obsolete office equipment, for security access control systems and the replacement of departmental vehicles, accounting for the drop in the 2014/15 Main Appropriation. The increase in the 2014/15 Adjusted Appropriation was attributed to the purchase of replacement motor vehicles and for office furniture and equipment for new appointments. The low amount over the 2015/16 MTEF is a result of the

completion of phase 3 of the Nerve Centre and cost-cutting. However, these figures might change during the course of the MTEF, as the OTP will need more furniture and computers to accommodate its growing establishment (taking into account the moratorium on the filling of non-critical posts). This will be funded by internal reprioritisation.

The 2011/12 amount reflected against *Heritage assets* relates to the erection of monuments and plaques, as well as the restoration of Royal graves such as *Inkosi Dingiswayo* and graves of victims of conflict such as that of the Mahhehle and Shobashobane massacres. The 2012/13 amount includes expenditure for the building of wax statues and busts to honour former Presidents of the ANC and King Shaka in various sites in KZN. The roll-over of R4.865 million from 2011/12 to 2013/14 for the 150-year commemoration of Indian indentured labourers was allocated to *Heritage assets* in 2013/14 for the erection of plaques and monuments but was not spent due to lengthy procurement processes and not reaching consensus with all stakeholders, in time. The increase from the 2014/15 Main to Adjusted Appropriation relates to the Isandlwana and Heroes' Acre projects from 2013/14 for which no roll-over was received, and this was therefore funded through internal reprioritisation. The MTEF amounts cater for various tombstones, unveilings and walls of remembrances, as identified by the Premier. The decrease from 2014/15 to 2015/16 can be ascribed to reprioritisation that was undertaken to *Households* (although this category reflects a decrease because of the decentralisation of external bursaries) to cater for internal bursaries.

In 2012/13, R7.018 million was spent against *Land and subsoil assets* relating to the purchase of land behind the Moses Mabhida building, procured to provide parking facilities for departmental officials due to new regulations passed by the local municipality that resulted in restricted parking in the Pietermaritzburg Central Business District (CBD).

The costs in respect of the Nerve Centre (SAS Business Intelligence System) account for the significant expenditure against *Software and other intangible assets* in 2011/12 and 2012/13, as a result of Build 1 and 2 of the system. The amounts over the 2015/16 MTEF cater for phase 3, which is the last stage of the Nerve Centre, as well as other general software upgrades.

Payments for financial assets is attributed to the first charge for the Royal Household and debts written off. A recent amendment was made to split the remainder of the DRH's first charge over 2015/16 and 2016/17 to improve the affordability of this charge, in line with a SCOPA resolution in this regard.

5.4 Summary of conditional grant payments and estimates – Nil

5.5 Summary of infrastructure payments and estimates

Table 1.8 below summarises the infrastructure payments and estimates relating to the department.

Table 1.8 : Summary of infrastructure payments and estimates by category

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|---------------|---------------|---------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Existing infrastructure assets | 4 057 | 16 271 | 24 272 | 1 063 | 9 560 | 9 560 | 4 666 | 3 543 | 2 916 |
| Maintenance and repair: Current | 1 530 | 3 528 | - | - | - | - | - | - | - |
| Upgrades and additions: Capital | - | - | - | - | - | - | - | - | - |
| Refurbishment and rehabilitation: Capital | 2 527 | 12 743 | 24 272 | 1 063 | 9 560 | 9 560 | 4 666 | 3 543 | 2 916 |
| New infrastructure assets: Capital | - | - | - | 15 697 | 15 000 | 15 000 | 14 963 | 15 756 | 17 348 |
| Infrastructure transfers | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Current | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Capital | - | - | - | - | - | - | - | - | - |
| Infrastructure: Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure: Leases | - | - | - | - | - | - | - | - | - |
| Total | 4 057 | 16 271 | 24 272 | 16 760 | 24 560 | 24 560 | 19 629 | 19 299 | 20 264 |
| Capital infrastructure | 2 527 | 12 743 | 24 272 | 16 760 | 24 560 | 24 560 | 19 629 | 19 299 | 20 264 |
| Current infrastructure | 1 530 | 3 528 | - | - | - | - | - | - | - |

The maintenance and repair work that is undertaken at the royal residences is recorded as *Maintenance and repair: Current*. Capital additions are reflected against *Refurbishment and rehabilitation: Capital*.

With regard to *Maintenance and repair: Current*, spending in 2011/12 provided for electrical upgrade, and the maintenance of the air-conditioning system at the Training Academy, office partitioning costs at the Moses Mabhida building, as well as minor renovations at Parkside. The spending in 2012/13 relates to routine maintenance work done at the Training Academy and administration offices. As mentioned, however, the Training Academy building was transferred back to DOE in 2012/13 to assist educators with continuous professional development. The Training Academy will continue to function from its current location, however, all planned maintenance work at the existing Training Academy was put on hold.

In 2011/12, the department received additional funds for the upgrading, refurbishment and rehabilitation of palaces allocated against *Refurbishment and rehabilitation: Capital*. The department commenced in 2011/12 with the process of renovating and repairing two palaces – i.e. KwaKhethomthandayo and KwaDlamahlaha. This allocation was substantially under-spent in 2011/12 due to delays in the implementation of certain infrastructure projects, such as the construction of the King's residence at eNyokeni, emanating from the fact that His Majesty, the King was not completely satisfied with the infrastructure plan and, as a consequence, R5.383 million was rolled over to 2012/13, explaining the increase in 2012/13. Also, in 2012/13, *Refurbishment and rehabilitation: Capital* shows minor expenditure of R5 000 related to renovations to the Premier's Parkside residence. The department received a roll-over of R5.701 million during 2013/14 for the balance of the roof renovations to the Premier's Parkside Residence. The allocation was under-spent in 2012/13 due to delays in the implementation of Ingwavuma palace infrastructure projects, such as the extension of His Majesty, the King's house, etc., as the appointed contractor abandoned the project. The increase in 2013/14 can be ascribed to the 2012/13 unspent funds, which were rolled over to 2013/14 to cater for commitments with regard to Ingwavuma palace infrastructure projects. The increase in the 2014/15 Adjusted Appropriation relates to the expansion of scope of the Ingwavuma palace infrastructure projects. The 2015/16 MTEF allocations provide for the completion of existing projects, such as the Ingwavuma palace projects and the Royal Household office renovations in Nongoma.

New infrastructure assets: Capital relates to funding for the Training Academy, as mentioned previously. These funds will be utilised for the construction of the new Training Academy in Westville, where a site has been identified. DOPW has completed a site evaluation, but the aggregate cost of constructing the academy has not yet been determined. It is planned that the construction costs will be provided for over the 2015/16 MTEF, with implementation occurring in phases.

5.6 Summary of Public Private Partnerships – Nil

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

The OTP exercises oversight over two public entities, namely Amafa and the RHT. Table 1.9 illustrates transfers made to the public entities over the seven years under review. Financial summaries received from Amafa and RHT are given in *Annexure – Vote 1: Office of the Premier*.

Table 1.9 : Summary of departmental transfers to public entities

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-----------------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Amafa aKwaZulu-Natali | 24 057 | 26 460 | 29 095 | 32 013 | 35 149 | 35 149 | 34 977 | 34 916 | 36 662 |
| Royal Household Trust | 11 300 | 10 500 | 15 300 | 22 393 | 15 343 | 15 343 | 23 415 | 24 656 | 25 889 |
| Total | 35 357 | 36 960 | 44 395 | 54 406 | 50 492 | 50 492 | 58 392 | 59 572 | 62 551 |

Amafa is responsible for administering heritage conservation on behalf of the provincial government. The entity's main objective is to promote awareness of the significance and value of cultural heritage resources, while ensuring that cultural heritage management is integrated into economic, social and environmental activities in KZN. Additional funding was allocated from 2011/12 for various heritage projects, such as fencing in Emakhosini and heritage markers at Anglo-Zulu sites, as well as the operational costs of the Emakhosini Multi-Media Centre. In 2013/14, a once-off allocation of R1.500 million was allocated for procurement of capital requirements associated with the entity's

turnaround strategy. An amount of R3.059 million was allocated in the 2014/15 Adjusted Appropriation to enable Amafa to apply for World Heritage status in respect of the Emakhosini Valley, to upgrade its research and education facilities, as well as various heritage sites and to also purchase support equipment. From 2015/16, R5 million, R3.350 million and R3.518 million were reprioritised from within the department to increase transfers to Amafa for the purchase of vehicles and salary related costs. The decrease in 2015/16 and 2016/17 is ascribed to the fact that the additional funding received in the 2014/15 Adjusted Appropriation was largely once-off.

The RHT was established in 2009/10 as an entity in terms of the KZN Royal Household Trust Act, 2007 (but will be governed by the KZN Royal Household Trust Bill, 2015 once enacted) and registered as a Schedule 3C provincial public entity during 2012/13. In 2011/12, 2012/13 and 2013/14, funds were transferred to the RHT to cater for the set-up costs of the Trust, remuneration of the Trustees, as well as various costs of RHT, which were administered by the Trust. This includes municipal costs, fuel, food supplies, etc., relating to Queens and other members of the Royal family. In 2011/12, according to a Cabinet resolution, the Trust received once-off seed funding of R5 million for establishment costs. The decrease in 2012/13 related to the fact that the department continued to pay for functions which were anticipated to be paid for by the Trust since the Trust was not fully functional. The increase in the 2014/15 Main Appropriation is due to the increase in transfers, as the RHT began to take over more functions from the department. The decrease in the 2014/15 Adjusted Appropriation was due to the former Royal Household department shifting funds from the RHT, as the department continued to pay salaries for staff who were performing functions on behalf of RHT, pending negotiations with organised labour. It is envisaged that the transfer of some administrative support, palace support staff and farm staff will be finalised before the end of 2015/16. This accounts for the anticipated increase in transfers to the RHT over the 2015/16 MTEF.

5.8 Transfers to other entities

Table 1.10 below reflects departmental transfers to other entities.

Table 1.10 : Summary of departmental transfers to other entities

| R thousand | Sub-programme | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-----------------------------------|-------------------------|-----------------|--------------|----------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| LIV Orphanage | 2.5 Special Programmes | 12 000 | 8 000 | - | - | - | - | - | - | - |
| Khulani Production Artist Theatre | 2.5 Special Programmes | - | 30 | - | - | - | - | - | - | - |
| Denis Hurley Centre | 3.2 Priority Programmes | - | - | - | - | 4 226 | 4 226 | - | - | - |
| Total | | 12 000 | 8 030 | - | - | 4 226 | 4 226 | - | - | - |

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

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

In the 2014/15 Adjusted Appropriation, R4.226 million was allocated as the province's contribution to the construction of the Denis Hurley Centre in Durban, as explained previously.

5.9 Transfers to local government

Table 1.11 provides a summary of transfers to local government by category.

Table 1.11 : Summary of departmental transfers to local government by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------|-----------------|---------------|----------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Category A | - | 15 000 | - | - | - | - | - | - | - |
| Category B | - | - | - | - | - | - | - | - | - |
| Category C | - | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | 15 000 | - | - | - | - | - | - | - |

It is noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and hence these are excluded from Table 1.12.

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

5.10 Transfers and subsidies

Table 1.12 summarises transfers by programme and main category over the seven-year period under review. As reflected in the table, the department made various transfers to entities under each programme.

Table 1.12 : Summary of transfers and subsidies by programme and main category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 892 | 16 227 | 1 063 | 1 333 | 1 704 | 1 704 | 1 045 | 1 064 | 1 117 |
| Provinces and municipalities | 21 | 15 035 | 16 | 13 | 39 | 39 | - | - | - |
| Motor vehicle licences | 21 | 35 | 16 | 13 | 39 | 39 | - | - | - |
| AFCON (eThekweni Metro) | - | 15 000 | - | - | - | - | - | - | - |
| Households | 871 | 1 192 | 1 047 | 1 320 | 1 665 | 1 665 | 1 045 | 1 064 | 1 117 |
| Other transfers to households | 871 | 1 192 | 1 047 | 1 320 | 1 665 | 1 665 | 1 045 | 1 064 | 1 117 |
| 2. Institutional Development | 19 076 | 27 059 | 25 291 | 20 650 | 27 691 | 27 691 | 53 | 57 | 60 |
| Provinces and municipalities | - | - | - | - | - | - | 50 | 54 | 57 |
| Motor vehicle licences | - | - | - | - | - | - | 50 | 54 | 57 |
| Non-profit institutions | 12 000 | 8 030 | - | - | - | - | - | - | - |
| LIV Orphanage | 12 000 | 8 000 | - | - | - | - | - | - | - |
| Khulani Production Artist Theatre | - | 30 | - | - | - | - | - | - | - |
| Households | 7 076 | 19 029 | 25 291 | 20 650 | 27 691 | 27 691 | 3 | 3 | 3 |
| Other transfers to households | - | - | 150 | 3 | 3 | - | 3 | 3 | 3 |
| Provincial Bursary programme | 7 076 | 19 029 | 25 141 | 20 647 | 27 688 | 27 691 | - | - | - |
| 3. Policy and Governance | 35 581 | 37 594 | 45 269 | 54 561 | 54 874 | 54 874 | 66 313 | 67 913 | 71 310 |
| Provinces and municipalities | - | 28 | 3 | 10 | 10 | 10 | 10 | 11 | 12 |
| Motor vehicle licences | - | 28 | 3 | 10 | 10 | 10 | 10 | 11 | 12 |
| Departmental agencies and accounts | 35 357 | 36 960 | 44 395 | 54 406 | 50 492 | 50 492 | 58 392 | 59 572 | 62 551 |
| Amafa | 24 057 | 26 460 | 29 095 | 32 013 | 35 149 | 35 149 | 34 977 | 34 916 | 36 662 |
| Royal Household Trust | 11 300 | 10 500 | 15 300 | 22 393 | 15 343 | 15 343 | 23 415 | 24 656 | 25 889 |
| Non-profit institutions | - | - | - | - | 4 226 | 4 226 | - | - | - |
| Denis Hurley Centre | - | - | - | - | 4 226 | 4 226 | - | - | - |
| Households | 224 | 606 | 871 | 145 | 146 | 146 | 7 911 | 8 330 | 8 747 |
| Social benefits | 224 | 606 | 871 | 145 | 146 | 146 | 7 911 | 8 330 | 8 747 |
| Total | 55 549 | 80 880 | 71 623 | 76 544 | 84 269 | 84 269 | 67 411 | 69 034 | 72 487 |

Programme 1 reflects transfers against *Households* for social benefits relating to medical aid contributions for ex-parliamentarians (PARMED), and staff exit costs against *Households*. The R15 million against AFCON (eThekweni Metro) in 2012/13 relates to the transfer to eThekweni Metro, being the province's contribution to hosting AFCON.

Programme 2 reflects transfers in respect of social benefits and the Provincial Bursary programme. The bursaries are paid directly to the students who receive a monthly stipend and transport funds. The peak in 2012/13 is a result of savings identified from the funds for PILIR and allocated to the bursary programme, as well as funds received from an inter-departmental account in respect of the bursary programme from other departments. It must be noted that, during 2013/14, Cabinet approved the centralisation of the bursaries budget under OTP and this explains the increase in 2013/14 and 2014/15. Over the 2015/16 MTEF, the Provincial Bursary programme was decentralised back to the departments from which the funds were originally moved. The amounts reflected against *Non-profit institutions* relate to funding of non-profit organisations and donations made to other organisations, such as Khulani Production Artist Theatre, as well as the LIV Orphanage, as previously explained.

Programme 3 houses the bulk of the *Transfers and subsidies* budget:

- *Departmental agencies and accounts* relates to transfers made to Amafa and RHT. The increase in the 2014/15 Adjusted Appropriation is due to the additional funding for Amafa for the turnaround

strategy's once-off capital requirements, funds to apply for World Heritage status for the Emakhosini Valley, as well as the additional funding to RHT to meet its financial obligations. The 2015/16 MTEF shows steady growth.

- The amounts reflected against *Non-profit institutions* relate to funding of non-profit organisation Denis Hurley Centre, as previously explained.
- The category *Households* caters for staff exit costs. It must be noted that, although the Provincial Bursary programme was decentralised back to the departments from which the funds were originally moved, a portion of the budget remains for the external bursaries administered by the OTP. During the 2014/15 Adjusted Appropriation, the department undertook a once-off shift from *Compensation of employees* to this category, as a result of the discontinuation of the Youth Ambassadors' programme stipends, to cater for the in-year spending pressure in respect of bursaries. This accounts for the significant dip in the 2015/16 MTEF over and above the decentralisation of the bursaries funds back to the departments that initially made this contribution.

6. Programme description

The services rendered by this department are, as per the generic sector structure, categorised under three programmes, the details of which are discussed below. The amounts for each programme are summarised in terms of economic classification, with details given in *Annexure – Vote 1: Office of the Premier*.

6.1 Programme 1: Administration

The purpose of this programme is to provide administrative support to the Premier, Executive Council and the Director-General in fulfilling their legislative and oversight functions and in promoting good corporate governance.

There are four sub-programmes supporting this programme, namely Premier Support, Executive Council Support, Director-General and Financial Management. The sub-programme largely conform to the generic programme structure of the sector with regard to Programme 1.

It must be noted that there were several functions that moved out of Programme 1 to Programme 2, such as Integrity Management, Auxiliary Services, Security Services and Ombudsman. This was done to enhance operational efficiency. The department was unable to adjust prior year comparatives for these adjustments across sub-programmes due to financial records not being kept at this level. The objectives are as follows:

- To provide logistical, administrative and advisory support to the Premier in executing the constitutional mandate and statutory duties.
- To render secretariat support services to the Executive Council, clusters, and key provincial committees.
- To provide operational support to the Director-General in strategically managing the province.
- To provide financial management support and advisory services.

Tables 1.13 and 1.14 below reflect a summary of payments and estimates relating to this programme, by sub-programme and economic classification, for the period 2011/12 to 2017/18.

Table 1.13 : Summary of payments and estimates by sub-programme: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|------------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Premier Support | 27 416 | 25 873 | 50 032 | 29 786 | 45 680 | 45 680 | 36 316 | 38 338 | 40 255 |
| 2. Executive Council Support | 7 852 | 8 746 | 8 500 | 9 618 | 9 468 | 9 468 | 7 590 | 8 182 | 8 591 |
| 3. Director-General | 18 470 | 18 491 | 20 569 | 26 651 | 24 751 | 24 751 | 14 490 | 15 943 | 16 740 |
| 4. Financial Management | 57 023 | 103 253 | 105 839 | 139 935 | 117 814 | 117 814 | 61 741 | 42 338 | 44 455 |
| Total | 110 761 | 156 363 | 184 940 | 205 990 | 197 713 | 197 713 | 120 137 | 104 801 | 110 041 |

Table 1.14 : Summary of payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 108 038 | 137 133 | 170 409 | 201 468 | 189 370 | 189 370 | 118 013 | 102 600 | 107 730 |
| Compensation of employees | 50 837 | 56 799 | 63 500 | 78 696 | 78 351 | 78 351 | 63 968 | 65 548 | 68 825 |
| Goods and services | 57 201 | 80 334 | 106 909 | 122 772 | 111 019 | 111 019 | 54 045 | 37 052 | 38 905 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 892 | 16 227 | 1 063 | 1 333 | 1 704 | 1 704 | 1 045 | 1 064 | 1 117 |
| Provinces and municipalities | 21 | 15 035 | 16 | 13 | 39 | 39 | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and int. organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 871 | 1 192 | 1 047 | 1 320 | 1 665 | 1 665 | 1 045 | 1 064 | 1 117 |
| Payments for capital assets | 1 825 | 3 003 | 13 468 | 3 189 | 6 639 | 6 639 | 1 079 | 1 137 | 1 194 |
| Buildings and other fixed structures | - | 5 | 6 881 | 697 | 697 | 697 | - | 120 | 126 |
| Machinery and equipment | 1 825 | 2 985 | 6 587 | 2 492 | 5 942 | 5 942 | 1 079 | 917 | 963 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | 13 | - | - | - | - | - | 100 | 105 |
| Payments for financial assets | 6 | - | - | - | - | - | - | - | - |
| Total | 110 761 | 156 363 | 184 940 | 205 990 | 197 713 | 197 713 | 120 137 | 104 801 | 110 041 |

The high 2011/12 amount against the sub-programme: Premier Support relates to the newly created Security and Protocol Services unit, which was later moved to the Director-General sub-programme. The high amount in 2013/14 was to cater for the establishment of a unit to manage the Premier's special projects. The substantial increase in 2013/14 can be ascribed to once-off additional funding for the RTI Commission and Zimele, which accounts for the dip in the 2014/15 Main Appropriation. The increase in the 2014/15 Adjusted Appropriation can be ascribed to internal reprioritisation undertaken within the department from other programmes to cater for in-year spending pressures. There is a reduction in 2015/16 as most of the additional funds in the preceding year were once-off.

The sub-programme: Executive Council Support shows a decrease from 2012/13 to 2013/14 largely due to the reprioritisation of funds from this sub-programme to Programme 3 to cater for OSS spending pressures. The increase in the 2014/15 Main Appropriation can be ascribed to the higher than anticipated wage agreements. Accounting for the decrease from 2014/15 to 2015/16, is the once-off reprioritisation of funds from the Financial Management sub-programme in 2014/15 to this sub-programme, for minor upgrades of the Cabinet office.

The Director-General sub-programme fluctuates from 2011/12 onward mainly as a result of the reprioritisation to different sub-programmes to cater for various spending pressures from time to time. The fairly low spending in 2011/12 is as a result of cost-cutting. The reduction from the 2014/15 Main to Adjusted Appropriation is due to funds that were surrendered back to the Provincial Revenue Fund with regard to ring-fenced funds to cater for security strengthening during the 2014 general elections. The 2015/16 MTEF amounts are significantly lower than the 2014/15 Main Appropriation due to the structure changes, such as the movement of the Security Services responsibility to the Strategic Human Resources sub-programme in Programme 2 for which comparatives were impossible to make, as mentioned earlier. There is consistent growth over the 2015/16 MTEF thereafter.

The substantial increase from 2012/13 onward against Financial Management is to cater for the creation of the Integrity Management unit, in line with the organisational structure of the department. The 2012/13 amount also includes a once-off R15 million, being the province's contribution to hosting the AFCON tournament. Furthermore, in 2012/13 there was additional funding for the provision of piped water and proper roads to the Luwamba Wellness Centre in the Ntambanana Municipality, which ends in 2015/16, but is then redirected, within the same sub-programme, to funding the operational costs of the Integrity Management unit. The substantial increase in 2013/14 and 2014/15 is due to additional funding for the running and staffing costs of the Integrity Management unit until funds from the Luwamba Wellness Centre could be directed to fund these operational costs. The decrease in the 2014/15 Adjusted

Appropriation is due to the suspension of Luwamba Wellness Centre funds (R15 million), and reallocated back in 2015/16, as well as the deduction of R2.781 million relating to previous year's irregular expenditure. The decrease over the 2015/16 MTEF is as a result of the movement of the Integrity Management unit to Programme 2, for which comparatives were impossible to make, as mentioned earlier.

Compensation of employees includes provision for the filling of critical vacant posts. It is envisaged that all positions in terms of the new proposed structure will be filled from 2014/15 and over the 2015/16 MTEF in a phased-in approach. The increase in 2013/14 can be ascribed to the reprioritisation from Programmes 2 and 3 to cater for spending pressures such as the higher than anticipated 2013 wage agreement. The 2014/15 Main Appropriation is much higher than the 2015/16 MTEF as a result of the reprioritisation of youth ambassadors' stipends to other pressures in respect of the youth, such as the internal and external bursaries pertaining to OTP.

The amount reflected against *Goods and services* in 2011/12 was a result of the centralisation of administrative costs such as cellular and telephone accounts, stationery, etc., from all programmes to this programme. The significant increase in 2012/13 is due to additional funding for the Luwamba Wellness Centre, and Integrity Management unit, as well as the creation of the Premier's Special Projects unit, which houses projects/initiatives such as the RTI commission, HIV and AIDS support, etc. This category reflects steady growth over the 2015/16 MTEF. The significant increase in 2013/14 can be ascribed to additional funding to cater for the RTI commission, as well as the Integrity Management unit. The drop from the 2014/15 Main to Adjusted Appropriation is a result of funds that were surrendered back to the Provincial Revenue Fund, such as the funds for security strengthening during the 2014 general elections, Luwamba Wellness Centre pipeline construction funds, as well as the previous year's irregular expenditure. The Luwamba Wellness Centre pipeline construction funds are reallocated back to the department in 2015/16. The 2015/16 MTEF drops significantly as a result of the relocation of the Integrity Management unit to Programme 2.

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

Transfers and subsidies to: Households caters for staff exit costs. The department also provides for payments in respect of medical aid contributions for ex-parliamentarians (PARMED). The 2015/16 MTEF grows steadily.

The 2013/14 amount against *Buildings and other fixed structures* is attributed to the roll-over of funds from 2012/13 in respect of repairs and maintenance to the Premier's Parkside residence, such as roof leaks. The amounts over the MTEF mainly cater for the roof and other renovations in respect of the Premier's Parkside residence. The amount of R697 000 reflected against 2014/15 was to cater for the roof and other renovations to the Premier's Parkside residence.

The 2011/12 amount against *Machinery and equipment* can be ascribed to provision for additional vehicles and furniture and equipment purchased for the additional staff transferred to the Premier Support sub-programme in respect of the Security and Protocol Services unit, which was later moved to the Director-General sub-programme. The increase in 2012/13 and 2013/14 is a result of the purchase of official vehicles. Accounting for the decrease in the 2014/15 Main Appropriation is the reprioritisation of funds to offset in-year spending pressures. The increase in the 2014/15 Adjusted Appropriation relates to the reprioritisation of funds to this category to cater for hardware upgrades of the Cabinet office. The decrease over the 2015/16 MTEF is a result of the completion of the upgrades in Programme 1, as well as internal reprioritisation to the same category in Programmes 2 and 3, to cater for the purchase of computer equipment and office furniture, as the department will be filling posts in accordance with the new organogram.

The amounts reflected in 2013/14 and over the 2015/16 MTEF against *Software and other intangible assets* mainly relate to the purchase of software for the Cabinet office. It is noted that this category was reduced in 2013/14, as well as in 2014/15. This can be ascribed to the reprioritisation to *Machinery and equipment* to cater for the purchase of official vehicles.

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

Service delivery measures – Programme 1: Administration

Table 1.15 illustrates service delivery measures pertaining to Programme 1. The service delivery outputs were revised in terms of the re-alignment and re-focus to the PGDP. It is noted that the OTP sector has not yet agreed on standardised service delivery measures. Also note that only a few main measures are reflected below, and the full set of measures is detailed in the department's APP.

Table 1.15 : Service delivery measures - Programme 1: Administration

| Outputs | | Performance indicators | Estimated performance | Medium-term targets | | |
|-------------------------------------|--|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 1. Premier Support | | | | | | |
| 1.1 | Administrative support services to the Premier | • Performance score attained on Premier Support, admin support services performance assessment matrix | 3 | 3 | 3 | 3 |
| 2. Executive Council Support | | | | | | |
| 2.1 | Effective and efficient Provincial Executive Council and key committees administrative support service | • No. of Executive Council meeting decision matrices circulated within 1 week of meeting | 20 | 20 | 20 | 20 |
| 3. Director-General | | | | | | |
| 3.1 | Strategic management meeting resolutions | • No. of EXCO meetings | 24 | 24 | 24 | 24 |
| 4. Financial Management | | | | | | |
| 4.1 | Financial management reports | • No. of financial management reports, monthly IYM submitted to Treasury by the 15th of each month | 12 | 12 | 12 | 12 |
| 4.2 | AFS | • No. of AFS submitted in terms of prescripts | 1 final, 3 interim | 1 final, 3 interim | 1 final, 3 interim | 1 final, 3 interim |
| 4.3 | Procurement plan | • No. of procurement plans submitted in terms of prescripts | 4 | 4 | 4 | 4 |

6.2 Programme 2: Institutional Development

The purpose of this programme is to improve service delivery through institutional capacity building and transformation management in the province, and the objectives are:

- Providing transversal legal advisory and support services.
- Providing transversal human resource management and systems.
- Co-ordinating the holistic development of public servants as well as the citizenry of KZN in general.
- Providing strategic information communication technology, science and technology management, leadership and support.
- Providing strategic communication leadership and support.
- To promote and co-ordinate human rights programmes in KZN.
- To promote and co-ordinate the mainstreaming of human rights in public policy and planning processes in the provincial administration.
- To co-ordinate the implementation of gender equality programmes.

It must be noted that there were several functions that moved out of Programmes 1 and 3 to Programme 2. As mentioned, from Programme 1 to this programme are movements of responsibilities such as Integrity Management, Auxiliary Services, Security Services and Ombudsman. The movements from Programme 3 to this programme include the Special Programmes and the Intergovernmental Relations sub-programmes. This was done to enhance operational efficiency. The department was unable to adjust prior year comparatives for these adjustments across sub-programmes due to financial records not being kept at this level.

Therefore, there are six sub-programmes supporting Programme 2, namely Strategic Human Resources, Information Communication Technology, Legal Services, Communication Services, Special Programmes and Intergovernmental Relations. The department no longer conforms fully to the generic programme structure of the sector at this stage, and this is in the process of being reviewed.

Tables 1.16 and 1.17 below summarise payments and estimates relating to this programme, by sub-programme and economic classification, for the period 2011/12 to 2017/18.

Table 1.16 : Summary of payments and estimates by sub-programme: Institutional Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Strategic Human Resources | 59 308 | 94 065 | 98 858 | 102 035 | 109 915 | 109 915 | 103 969 | 107 331 | 112 698 |
| 2. Information Communication Technology (ICT) | 20 393 | 18 778 | 21 215 | 25 366 | 25 366 | 25 366 | 61 367 | 66 915 | 70 261 |
| 3. Legal Services | 8 594 | 8 892 | 10 642 | 12 156 | 11 156 | 11 156 | 11 860 | 12 784 | 13 423 |
| 4. Communication Services | 17 209 | 23 174 | 54 682 | 54 601 | 48 752 | 48 752 | 50 767 | 53 455 | 56 128 |
| 5. Special Programmes | 55 731 | 44 221 | 32 187 | 40 686 | 32 886 | 32 886 | 51 727 | 54 780 | 57 519 |
| 6. Intergovernmental relations | 8 444 | 13 167 | 8 269 | 10 936 | 20 936 | 20 936 | 17 758 | 18 952 | 19 900 |
| Total | 169 679 | 202 297 | 225 853 | 245 780 | 249 011 | 249 011 | 297 448 | 314 217 | 329 928 |

Table 1.17 : Summary of payments and estimates by economic classification: Institutional Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 149 530 | 165 134 | 193 327 | 208 720 | 204 505 | 204 505 | 277 489 | 293 108 | 307 763 |
| Compensation of employees | 59 196 | 72 739 | 77 346 | 84 016 | 81 783 | 81 783 | 122 174 | 128 325 | 134 741 |
| Goods and services | 90 334 | 92 395 | 115 981 | 124 704 | 122 722 | 122 722 | 155 315 | 164 783 | 173 022 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 19 076 | 27 059 | 25 291 | 20 650 | 27 691 | 27 691 | 53 | 57 | 60 |
| Provinces and municipalities | - | - | - | - | - | - | 50 | 54 | 57 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 12 000 | 8 030 | - | - | - | - | - | - | - |
| Households | 7 076 | 19 029 | 25 291 | 20 650 | 27 691 | 27 691 | 3 | 3 | 3 |
| Payments for capital assets | 1 072 | 10 076 | 7 223 | 16 410 | 16 815 | 16 815 | 19 906 | 21 052 | 22 105 |
| Buildings and other fixed structures | - | - | 2 000 | 15 000 | 15 000 | 15 000 | 16 417 | 17 308 | 18 173 |
| Machinery and equipment | 1 072 | 3 052 | 5 223 | 1 350 | 1 755 | 1 735 | 3 227 | 3 429 | 3 600 |
| Heritage assets | - | - | - | - | - | 20 | 200 | 250 | 263 |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | 7 018 | - | - | - | - | - | - | - |
| Software and other intangible assets | - | 6 | - | 60 | 60 | 60 | 62 | 65 | 68 |
| Payments for financial assets | 1 | 28 | 12 | - | - | - | - | - | - |
| Total | 169 679 | 202 297 | 225 853 | 245 780 | 249 011 | 249 011 | 297 448 | 314 217 | 329 928 |

The expenditure against Strategic Human Resources increased from 2011/12 as a result of the entire allocation being received for PILIR (although a portion of it was redirected to the Provincial Bursary programme) and funding allocated from other programmes, for the filling of various vacant posts. The substantial increase from 2012/13 is attributed to additional funding for the refurbishment and renovations to the Training Academy, which will now be utilised to fund the construction of the new Training Academy in Westville. As previously mentioned, in 2013/14, Cabinet approved the centralisation of the external bursaries budget under the OTP. Although the department received a once-off amount of R7.555 million in 2013/14 for Zimele, these funds were later shifted to Programme 1 against the Premier Support sub-programme. Also accounting for the decrease in this sub-programme from 2013/14 was the virement of funds to *Compensation of employees* in Programmes 2 and 3 to cater for the higher than anticipated 2013 wage agreements. The bursary funding was removed from the 2015/16 MTEF in line with the decentralisation of this function back to the departments from where funds came. The internal bursary programme housed under the OTP moved to Programme 3, as explained earlier.

Information Communication Technology (ICT) decreased in 2012/13 as a result of the restructuring process which saw the Nerve Centre funds being moved to Programme 3 under the Provincial Policy

Management sub-programme. The increase from 2013/14 to 2014/15 can be ascribed to the reprioritisation of funds from this sub-programme to Strategic Human Resources for spending pressures. The budget for this sub-programme grows steadily over the MTEF. The 2015/16 amount is significantly higher than 2014/15 due to the fact that Auxiliary Services now falls under this sub-programme.

The increase against the Legal Services sub-programme from 2011/12 was due to additional funds made available, through reprioritisation from other sub-programmes, to cater for costs relating to the OSD for legal practitioners. The substantial increase in 2013/14 was to cater for the second phase of OSDs for legal practitioners. The budget for this sub-programme grows steadily over the 2015/16 MTEF.

The amounts against the Communication Services sub-programme increased from 2012/13 onward as a result of the increased demand for communication publications, such as *Simama*. The substantial increase in 2012/13 was a result of funds received from other departments in respect of *Simama*. As previously mentioned, during 2013/14, Cabinet approved the centralisation of parts of the communications budget under OTP, explaining the increase from that year. The decrease in the 2014/15 Adjusted Appropriation can be ascribed to the re-imbursement of funds to DARD, as it erred in determining the figures when parts of the communications budgets were centralised. The budget for this sub-programme grows steadily over the 2015/16 MTEF.

The Special Programmes sub-programme is new to Programme 2 and is shifted from Programme 3, and includes Integrity Management and Democracy Support Services. The 2011/12 and 2012/13 amounts include once-off additional funding for the LIV Orphanage, as mentioned. This accounts for the drop in 2014/15. OSS was previously included in the Special Programmes sub-programme, but moved to the Premier's Priority Programmes sub-programme. The OSS funds were also surrendered in the 2014/15 Adjusted Appropriation with an understanding that the funding would be re-allocated to the department in 2015/16, hence the increase in that year. This sub-programme grows steadily over the 2015/16 MTEF.

The Intergovernmental Relations sub-programme is also shifted from Programme 3 to this programme. The expenditure in the Intergovernmental Relations sub-programme in 2011/12 was due to international visits that were undertaken by the Premier to promote KZN as an investment destination. The significant growth in 2012/13 is mainly attributed to once-off additional funding for the establishment of the KZN Climate Change Council, and this accounts for the decrease in 2013/14. The increase in the 2014/15 Adjusted Appropriation was due to additional funding for the African Economic Expansion Summit which took place in November 2014. The growth over the 2015/16 MTEF can be ascribed to reprioritisation to cater for increased international visits.

The amount against *Compensation of employees* from 2011/12 onward is a result of filling of critical vacant posts in line with the moratorium on the filling of non-critical posts. The increase from 2012/13 to 2013/14 is due to the substantial additional funding to fully cater for the costs relating to the OSD for legal practitioners, as well as to cater for the higher than anticipated 2013 wage agreements. The significant increase from 2014/15 to 2015/16 is mainly attributed to the implementation of the new organisational structure. There is steady growth over the 2015/16 MTEF.

Goods and services reflects a significant increase from 2012/13 to 2013/14, largely because of additional funding received for renovations of the Training Academy. These funds will be utilised for the construction of a new Training Academy in Westville from 2015/16 onward. The substantial increase from 2013/14 is attributed to the centralisation of parts of the communications budget under the OTP. The decrease in the 2014/15 Adjusted Appropriation can be ascribed to the re-imbursement of funds to DARD, as it had given more than it was supposed to when parts of the communications budget were centralised. The 2015/16 MTEF grows steadily. The significant increase from 2014/15 to 2015/16 is attributed to the implementation of the new organisational structure, as well as the changes in the structure, which sees some responsibilities, such as Auxiliary and Security Services move to the Information Communication Technology sub-programme in Programme 2.

Transfers and subsidies to: Provinces and municipalities over the 2015/16 MTEF caters for motor vehicle licence fees.

Transfers and subsidies to: Non-profit institutions reflects the funding allocated in 2011/12 and 2012/13 for the LIV Orphanage, as well as Khulani Production Artist Theatre, as previously mentioned.

The amounts against *Transfers and subsidies to: Households* from 2012/13 cater for the high demand of the Provincial Bursary programme. The substantial increase in 2013/14 and 2014/15 is attributed to the suspension of funds from other departments to the Provincial Bursary programme, which was centralised under the OTP. This programme has been decentralised back to departments accounting for the significant drop over the 2015/16 MTEF. It must be noted that the external bursary budget of the OTP resides in Programme 3 against the sub-programme: Premier's Priority Programmes from 2015/16 onward.

Spending against *Buildings and other fixed structures* in 2013/14 and 2014/15 pertains to the Premier's Parkside residence and the Training Academy. The budget over the 2015/16 MTEF relates to the construction of the new Training Academy. As previously explained, the Training Academy will continue to function from its current location for the time being, while the renovation funds are redirected to the construction of a new Training Academy in Westville. The budget was initially under *Goods and services* in 2012/13, as the department had not decided whether to lease or construct a new building at the time. However, it was since moved to this category from 2014/15 onward, as a result of the decision to construct a new Training Academy.

The high spending against *Machinery and equipment* in 2012/13 and 2013/14 relates to the acquisition of office furniture and equipment in line with the recruitment plan. The department is planning to spend more on *Machinery and equipment* over the 2015/16 MTEF, due to the phasing in of the new organogram, which requires purchase of office furniture and equipment thereof, in line with the revised organogram.

In 2012/13, an amount of R7.018 million was spent against *Land and subsoil assets* to provide for the purchase of land behind the Moses Mabhida building, procured to provide parking facilities for departmental officials in the Pietermaritzburg CBD. The Municipality is still in negotiations with the people who are currently occupying the land in an effort to get them alternative accommodation.

The spending reflected against *Software and other intangible assets* is for software and other assets such as software licence fees.

The department wrote off various losses against *Payments for financial assets* from 2011/12 to 2013/14.

Service delivery measures – Programme 2: Institutional Development

Table 1.18 illustrates service delivery measures pertaining to Programme 2. The service delivery outputs were revised and streamlined in terms of the re-alignment and re-focus to fall in line with the PGDP.

It is noted that the OTP sector has not yet agreed on standardised service delivery measures. Also note that only a few main measures are reflected below, and the full set of measures is detailed in the department's APP. The performance target "New" in the 2014/15 Estimated performance illustrates that the indicator did not exist in 2014/15, and that it is a new indicator from 2015/16 onward. The department reviewed its service delivery measures for 2015/16, and hence a number of new targets are included.

Table 1.18 : Service delivery measures – Programme 2: Institutional Development

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | |
|--|---|-----------------------|---------------------|---------------------------|-------------------------------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 1. Strategic Human Resources | | | | | |
| 1.1 Technical human resource management support services | • No. of quarterly reports on technical support services provided to all HR units in the provincial government of KZN on policy development | 4 | 4 | 4 | 4 |
| 1.2 Integrated Public Sector HRD strategy and Professional Support Programme | • One Integrated Public Sector HRD strategy and Professional Support Programme updated and implemented | New | Draft compiled | Consultation and approval | Implementation and monitoring |

Table 1.18 : Service delivery measures – Programme 2: Institutional Development

| Table 10.1: Service delivery measures – Programme 2: Institutional Development | | | | | | |
|--|--|--|---|----------------------|----------------------|----------------------|
| Outputs | | Performance indicators | Estimated performance | Medium-term targets | | |
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 2. Information Communication Technology | | | | | | |
| 2.1 | IT governance assessment reports | <ul style="list-style-type: none">No. of 6 monthly provincial departments' IT governance assessment co-ordination reports submitted to G and A Cluster | 4 quarterly IT projects progress reports to MANCO | 2 | 2 | 2 |
| 3. Legal Services | | | | | | |
| 3.1 | Constitutionally compliant provincial laws, appropriate provincial legislation | <ul style="list-style-type: none">No. of provincial laws (bills, regulations and proclamations) certified | 10 | 10 | 10 | 10 |
| 4. Communication Services | | | | | | |
| 4.1 | Effective and efficient communication engagement | <ul style="list-style-type: none">No. of media engagements facilitated for the Premier | 50 | 50 | 50 | 50 |
| 5. Integrity Management | | | | | | |
| 5.1 | Integrity conferences | <ul style="list-style-type: none">No. of Integrity leadership conferences | 1 | - | 1 | - |
| 5.2 | Annual performance plans for each human rights target group | <ul style="list-style-type: none">No. of annual performance business plans for human rights target groups: 1 x gender, 1 x disability, 1 x children; and 1 x senior citizens | 1 per group, 4 total | 1 per group, 4 total | 1 per group, 4 total | 1 per group, 4 total |
| 5.3 | Ombudsperson co-ordination | <ul style="list-style-type: none">No. of OTP Ombudsperson reports | 1 | 2 | 4 | 4 |
| 6. Special Programmes | | | | | | |
| 6.1 | Annual performance plans for each human rights target group | <ul style="list-style-type: none">No. of performance business plans for human rights target groups: 1 x gender, 1 x disability, 1 x children; and 1 x senior citizens | 1 per group, 4 total | 1 per group, 4 total | 1 per group, 4 total | 1 per group, 4 total |
| 7. Intergovernmental Relations (IGR) | | | | | | |
| 7.1 | Technical Premier's forum meetings | <ul style="list-style-type: none">No. of IGR Technical Premier's forum decision matrixes | 4 | 4 | 4 | 4 |

6.3 Programme 3: Policy and Governance

The purpose of this programme is to initiate province-wide development and implementation of policies and strategies to achieve a co-ordinated approach toward sustainable provincial growth and development, and the objectives are as follows:

- To capacitate the provincial government and administration on governance and public policy management.
- To manage and co-ordinate strategic projects as mandated by the Premier and the Cabinet.
- To conserve, manage and promote awareness of the cultural heritage resources of KZN.
- To ensure a co-ordinated approach with respect to provincial policy management.
- To co-ordinate and implement a comprehensive response to the socio-economic impact of HIV and AIDS.
- To ensure successful implementation of priority socio-economic programmes and projects in KZN.
- To ensure the effectiveness of policy, planning and programme interventions through evaluation of strategic policy outcomes.
- To design and utilise a functional monitoring and evaluation system for the provincial government and administration and local government.
- To provide support services to His Majesty, the King.
- To facilitate the smooth functioning of the Royal Household Trust.

Four sub-programmes support this programme over the 2015/16 MTEF, namely Provincial Policy Management, Premier's Priority Programmes, Royal Household and Heritage. This programme does not

fully conform to the generic programme structure of the sector at this stage, and this is in the process of being reviewed by the department.

It must be noted that there were several functions that moved out of Programmes 3 to Programme 2 to enhance operational efficiency. As mentioned, these include the Special Programmes and the Intergovernmental Relations sub-programmes. This was done to align the financial and organisational structures. The department was unable to adjust prior year comparatives for these adjustments across sub-programmes due to financial records not being kept at this level. However, historical figures were adjusted for the Royal Household sub-programme for comparative purposes.

Tables 1.19 and 1.20 below provide a summary of payments and estimates for these four sub-programmes for the period 2011/12 to 2017/18.

Table 1.19 : Summary of payments and estimates by sub-programme: Policy and Governance

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Provincial Policy Management | 43 834 | 50 343 | 47 060 | 57 588 | 36 188 | 36 188 | 67 460 | 67 880 | 71 274 |
| 2. Premier's Priority Programmes | 86 596 | 169 894 | 139 504 | 120 230 | 103 044 | 103 044 | 130 925 | 127 791 | 134 181 |
| 3. Royal Household | 59 409 | 61 367 | 67 896 | 54 211 | 61 337 | 61 337 | 57 604 | 60 702 | 63 737 |
| 4. Heritage | 53 850 | 57 531 | 55 821 | 67 571 | 97 819 | 97 819 | 69 640 | 71 543 | 75 120 |
| Total | 243 689 | 339 135 | 310 281 | 299 600 | 298 388 | 298 388 | 325 629 | 327 916 | 344 312 |
| Unauth. Exp. (1st charge) not available for spending | (3 767) | (1 800) | (2 500) | (2 500) | (2 500) | (2 500) | (2 500) | (2 194) | - |
| Baseline available for spending after 1st charge | 239 922 | 337 335 | 307 781 | 297 100 | 295 888 | 295 888 | 323 129 | 325 722 | 344 312 |

Table 1.20 : Summary of payments and estimates by economic classification: Policy and Governance

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 192 267 | 268 693 | 241 831 | 234 945 | 223 012 | 223 012 | 246 985 | 249 692 | 264 480 |
| Compensation of employees | 62 655 | 103 370 | 72 776 | 91 443 | 56 874 | 56 874 | 76 807 | 79 107 | 83 062 |
| Goods and services | 129 612 | 165 323 | 169 055 | 143 502 | 166 138 | 166 138 | 170 178 | 170 585 | 181 418 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 35 581 | 37 594 | 45 269 | 54 561 | 54 874 | 54 874 | 66 313 | 67 913 | 71 310 |
| Provinces and municipalities | - | 28 | 3 | 10 | 10 | 10 | 10 | 11 | 12 |
| Departmental agencies and accounts | 35 357 | 36 960 | 44 395 | 54 406 | 50 492 | 50 492 | 58 392 | 59 572 | 62 551 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | 4 226 | 4 226 | - | - | - |
| Households | 224 | 606 | 871 | 145 | 146 | 146 | 7 911 | 8 330 | 8 747 |
| Payments for capital assets | 12 074 | 30 880 | 20 662 | 7 594 | 18 002 | 18 002 | 9 831 | 8 117 | 8 522 |
| Buildings and other fixed structures | 2 527 | 12 738 | 15 391 | 1 063 | 8 863 | 8 863 | 3 212 | 1 871 | 1 965 |
| Machinery and equipment | 1 557 | 851 | 924 | 1 531 | 1 139 | 1 139 | 2 619 | 2 034 | 2 136 |
| Heritage assets | 1 722 | 10 794 | 4 347 | 5 000 | 8 000 | 8 000 | 4 000 | 4 212 | 4 421 |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 6 268 | 6 497 | - | - | - | - | - | - | - |
| Payments for financial assets | 3 767 | 1 968 | 2 519 | 2 500 | 2 500 | 2 500 | 2 500 | 2 194 | - |
| Total | 243 689 | 339 135 | 310 281 | 299 600 | 298 388 | 298 388 | 325 629 | 327 916 | 344 312 |
| Unauth. Exp. (1st charge) not available for spending | (3 767) | (1 800) | (2 500) | (2 500) | (2 500) | (2 500) | (2 500) | (2 194) | - |
| Baseline available for spending after 1st charge | 239 922 | 337 335 | 307 781 | 297 100 | 295 888 | 295 888 | 323 129 | 325 722 | 344 312 |

It must be noted that, following the signing of the proclamation to amalgamate Vote 1 and Vote 10, as previously mentioned, Programme 3 now makes provision for a sub-programme for the Royal Household. The baseline available for Programme 3 has been reduced by the first charge (shown below the total line) that was imposed on Vote 10. Previous year figures have been adjusted for comparative purposes.

The growth against the Provincial Policy Management sub-programme relates to the phasing in of the PPC. The increase in 2012/13 is a result of an additional R10 million that was received for the Nerve Centre. Although there was additional funding in 2013/14 to cater for the African Economic Expansion Summit that was hosted in KZN during March 2014, the budget decreased. The decrease in the 2014/15

Adjusted Appropriation was a result of a virement from the programme to other programmes to offset spending pressures. There is constant growth over the 2015/16 MTEF.

The sub-programme: Premier's Priority Programmes was high in 2012/13 is as a result of additional funding of R5 million for OSS projects, R5 million for the African Renaissance project, as well as R34.080 million for the stipends of the youth ambassadors and a once-off R20 million in respect of the SANDF training of the youth ambassadors. Additional funding was also received for the African Renaissance project, which is a carry-through from 2012/13, the OSS Diakonia Council of Churches, as well as the Inkululeko Development Programme as part of the OSS initiatives. As mentioned, the Youth Ambassadors' programme has been discontinued and a new Youth chief directorate has been established, accounting for the decrease in the 2014/15 Main Appropriation. The further decrease in the 2014/15 Adjusted Appropriation is attributed to the fact that an amount of R14 million to cater for OSS was suspended and re-allocated in 2015/16, accounting for the increase in 2015/16.

The sub-programme: Royal Household is new to this programme and the department following the proclamation to combine Votes 1 and 10. As such, the former Vote 10 is now a sub-programme under Vote 1. Royal Household (including the RHT) received additional funding in 2011/12 for renovations and maintenance of Royal Residences, which came to an end in 2013/14, in line with project requirements. The increase in 2013/14 relates to the fact that there was a saving of R2.300 million, being the saving from the non-filling of certain posts pending the transfer of staff to the RHT. There is steady growth over the 2015/16 MTEF. As mentioned, the proclamation to amalgamate the OTP and DRH was signed and implemented with effect from 1 April 2015. As such, DRH and RHT now fall under the auspices of the OTP, including the transfer of staff thereof. As previously mentioned, DRH has a first charge that must be honoured over the 2015/16 MTEF, as shown in the table.

The spending against the sub-programme: Heritage in 2011/12 can be attributed to the fact that the department reprioritised substantial funding to the sub-programme: Premier's Priority Programmes for once-off OSS projects, resulting in the substantial increase from 2011/12 to 2012/13 in respect of the Heritage sub-programme. An amount of R1.500 million was allocated in 2013/14 for Amafa for the procurement of once-off capital requirements associated with their turnaround strategy. A further once-off additional funding of R3.059 million was allocated to Amafa in 2014/15 for its application to attain World Heritage status for the Emakhosini Valley. The significant increase in the 2014/15 Adjusted Appropriation was a result of once-off additional funds mainly to cater for projects such as St. Helena Prisoners of War, Isandlwana and Heroes Acre projects, 20 years of democracy celebrations, as well as procurement of once-off capital requirements associated with Amafa's turnaround strategy, accounting for the decrease in 2015/16. Also, in 2014/15, additional funds were reprioritised from within the department to Amafa for the purchase of vehicles and salary related costs. The budget grows steadily over the 2015/16 MTEF.

The substantial increase in *Compensation of employees* from 2012/13 onward is due to the additional funding for the Youth Ambassadors' programme. The decrease from 2013/14 is a result of the reduction in the appointment of youth ambassadors, which will see their numbers being brought down from 3 024 to zero from 2014/15 and over the MTEF, as the department has decided to do away with the programme but instead has established a Youth chief directorate. The significant increase over the 2015/16 MTEF is attributed to the OTP's external bursaries, which are now housed under the Youth chief directorate.

The spending against *Goods and services* includes the carry-through costs of additional funding for the Youth Ambassadors' programme, as well as additional funding for the PPC and the Nerve Centre. The increase in 2012/13 is a result of additional funding for the youth ambassadors' training by SANDF. The increase in 2013/14 relates to additional funding for the National Choral Music Awards ceremony, Crown Gospel Awards, OSS Diakonia Council of Churches, African Economic Expansion Summit, OSS, roll-over in respect of Premier's Parkside residence and Zimele. This accounts for the significant reduction from 2014/15. There is steady growth over the 2015/16 MTEF.

The transfers to Amafa and RHT account for the amounts against *Transfers and subsidies to: Departmental agencies and accounts*. The increase in 2013/14 was because of the additional funding for the procurement of once-off capital requirements related to Amafa's turnaround strategy. In 2014/15, Amafa received additional funding for the turnaround strategy, once-off capital requirements, as well as

funds to apply for World Heritage status for the Emakhosini Valley. The decrease in the 2014/15 Adjusted Appropriation was mainly due to the shift of funds to the department in respect of the RHT allocation. This shift related to the fact that the department continued to pay salaries for the staff who are performing functions on behalf of RHT, pending the finalisation of negotiations with organised labour.

An amount of R4.226 million against *Transfers and subsidies to: Non-profit institutions* was allocated to the department in the 2014/15 Adjusted Appropriation, being the province's contribution to the construction of the Denis Hurley Centre in Durban.

The budget against *Households* increases significantly over the 2015/16 MTEF due to the fact that OTP's external bursaries now reside in the Youth chief directorate against this programme. The significant increase in the 2014/15 Adjusted Appropriation is attributed to the additional funding of R7.800 million to the Royal Household to offset spending pressures related to its infrastructure projects such as the refurbishment and additions at Ingwavuma Palace, office renovations, and paving at Khetha Palace that were not adequately budgeted for.

Buildings and other fixed structures caters for the rehabilitation of the Royal Household palaces.

The amounts against *Machinery and equipment* from 2011/12 onward are attributable to the purchase of office furniture and computer equipment for newly appointed staff. The decrease in 2012/13 is as a result of funds reprioritised within *Payments for capital assets* for the Nerve Centre. The substantial increase over the 2015/16 MTEF is due to the phased-in approach of the department with regard to purchasing machinery and equipment.

The 2011/12 amount against *Heritage assets* relates to the erection of 10 plaques in all districts in KZN commemorating the arrival of the Indian indentured labourers in KZN, and the erection of a wall of remembrance and tombstones for the victims of the Mahhehle massacre. The increase in 2012/13 is a result of the building of wax statues to honour former ANC Presidents and King Shaka in various sites in KZN. The 2013/14 amount caters for the erection of 18 historical graves and the building of six memorials or monuments. The increase in the 2014/15 Adjusted Appropriation can be ascribed to internal reprioritisation to fund the Heroes Acre and Isandlwana projects, as well as the roll-over in respect of the St Helena Prisoners of war. The amounts over the 2015/16 MTEF include the budget for heritage events, as well as unveilings, walls of remembrance and erection of tombstones, as identified by the Premier. The budget grows steadily over the seven-year period except for a dip in 2015/16.

The 2011/12 and 2012/13 amounts against *Software and other intangible assets* relate to funds allocated for the Nerve Centre. No funds have been allocated over the 2015/16 MTEF because, at this stage, all the required software has been purchased for the Nerve Centre. The necessary adjustments will be made in-year should any further purchases be required.

Payments for financial assets relates to losses written-off, as well as the first charge, as mentioned earlier.

Service delivery measures – Programme 3: Policy and Governance

Table 1.21 below provides information on the service delivery measures pertaining to Programme 3. It is noted that the OTP sector has not yet agreed on standardised service delivery measures. The OTP reworded some existing measures and also introduced several new performance indicators from 2013/14 onward. Note that only a few main measures are reflected below, and the full set of measures is detailed in the department's APP.

Table 1.21 : Service delivery measures – Programme 3: Policy and Governance

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | |
|--|-------------------------------|-----------------------|---------------------|---------|---------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 1. Provincial Policy Management | | | | | |
| 1.1 Macro Policy Development and Co-ordination | | | | | |
| 1.1.1 Policy audit reports | • No. of policy audit reports | 2 | 2 | 2 | 2 |

Table 1.21 : Service delivery measures – Programme 3: Policy and Governance

| Outputs | Performance indicators | Estimated performance | | Medium-term targets | |
|---|---|--|---------|---------------------|---------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 2. Premier's Priority Programmes | | | | | |
| 2.1 Effective and efficient stakeholder engagement co-ordination (strategic partnerships, community outreach) | • No. of provincial stakeholder Forum meetings | 4 | 4 | 4 | 4 |
| 2.2 Youth development and empowerment | • No. of updated annual business plans on youth development programmes | Youth strategy draft refined and programme drafted | 1 | 1 | 1 |
| 2.3 Youth forum co-ordination reports | • No. of quarterly monitoring reports on youth forums establishment and supported | 4 | 4 | 4 | 4 |
| 2.4 Strategic partnership forums | • No. of forum meetings with each sector 1 x NGO, 1 x business 1x Traditional Authority 1 x Religious sector | 4 | 4 | 4 | 4 |
| 3. King's Support and Royal Household | | | | | |
| 3.1 <i>Amakhosi</i> installed | • No. of <i>Amakhosi</i> installed statutorily | 5 | 5 | 5 | 5 |
| 4. Heritage | | | | | |
| 4.1 Awareness | • No. of heritage profiling events | 4 | 6 | 8 | 10 |
| 4.2 Heritage memory infrastructure developed | • No. of monuments or memorials erected | 4 | 6 | 8 | 10 |
| 4.3 Monitoring reports on Amafa Council performance | • No. of Amafa monitoring reports | 4 | 3 | 3 | 3 |

7. Other programme information

7.1 Personnel numbers and costs

Tables 1.22 and 1.23 reflect the personnel estimates for the OTP, per programme, as well as a further breakdown of categories of personnel, as at 31 March 2012 to 31 March 2018.

The Finance component incorporates financial and management accounting services and supply chain management.

It must be noted that, although personnel numbers seem to be decreasing, this is because the department has decided not to continue with the Youth Ambassadors programme, hence no youth ambassadors in 2014/15 and over the 2015/16 MTEF. However, the actual permanent personnel are increasing as a result of the organisational structure increase by 227 posts, as well as the fact that Vote 1 and 10 have now amalgamated. The number of employees to be transferred from Vote 10 is still to be determined as negotiations with all stakeholders including labour unions are still ongoing.

The department is anticipating all posts to be filled by 2017/18, using a phased-in approach.

Table 1.22 : Personnel numbers and costs by programme

| 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 | 165 | 165 | 167 | 182 | 103 | 115 | 119 |
| 2. Institutional Development | 157 | 157 | 157 | 197 | 234 | 266 | 301 |
| 3. Policy and Governance | 1 548 | 3 135 | 2 077 | 92 | 185 | 205 | 235 |
| of which | | | | | | | |
| Youth ambassadors | 1 437 | 3 024 | 1 966 | - | - | - | - |
| Total | 1 870 | 3 457 | 2 401 | 471 | 522 | 586 | 655 |
| Total personnel cost (R thousand) | 172 688 | 232 908 | 213 622 | 217 008 | 262 949 | 272 980 | 286 629 |
| Unit cost (R thousand) | 92 | 67 | 89 | 461 | 504 | 466 | 438 |

Table 1.23 : Summary of departmental personnel numbers and costs by component

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------|---------|-----------------------|---------------------------|---------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Total for the department | | | | | | | | | |
| Personnel numbers (head count) | 1 870 | 3 457 | 2 401 | 488 | 471 | 471 | 522 | 586 | 655 |
| Personnel cost (R thousands) | 172 688 | 232 908 | 213 622 | 254 155 | 217 008 | 217 008 | 262 949 | 272 980 | 286 629 |
| Human resources component | | | | | | | | | |
| Personnel numbers (head count) | 27 | 19 | 114 | 114 | 114 | 114 | 237 | 270 | 304 |
| Personnel cost (R thousands) | 4 805 | 4 474 | 48 017 | 44 115 | 44 115 | 44 115 | 60 445 | 61 684 | 64 768 |
| Head count as % of total for department | 1.44 | 0.55 | 4.75 | 23.36 | 24.20 | 24.20 | 45.40 | 46.08 | 46.41 |
| Personnel cost as % of total for department | 2.78 | 1.92 | 22.48 | 17.36 | 20.33 | 20.33 | 22.99 | 22.60 | 22.60 |
| Finance component | | | | | | | | | |
| Personnel numbers (head count) | 101 | 105 | 105 | 105 | 105 | 105 | 85 | 115 | 151 |
| Personnel cost (R thousands) | 22 926 | 62 725 | 26 295 | 42 000 | 42 000 | 42 000 | 26 970 | 25 591 | 26 871 |
| Head count as % of total for department | 5.40 | 3.04 | 4.37 | 21.52 | 22.29 | 22.29 | 16.28 | 19.62 | 23.05 |
| Personnel cost as % of total for department | 13.28 | 26.93 | 12.31 | 16.53 | 19.35 | 19.35 | 10.26 | 9.37 | 9.37 |
| Full time workers | | | | | | | | | |
| Personnel numbers (head count) | 433 | 433 | 435 | 488 | 471 | 471 | 522 | 586 | 655 |
| Personnel cost (R thousands) | 146 788 | 170 554 | 166 984 | 254 155 | 217 008 | 217 008 | 262 949 | 272 980 | 286 629 |
| Head count as % of total for department | 23.16 | 12.53 | 18.12 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Personnel cost as % of total for department | 85.00 | 73.23 | 78.17 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Part-time workers | | | | | | | | | |
| Personnel numbers (head count) | - | - | - | - | - | - | - | - | - |
| Personnel cost (R thousands) | - | - | - | - | - | - | - | - | - |
| Head count as % of total for department | - | - | - | - | - | - | - | - | - |
| Personnel cost as % of total for department | - | - | - | - | - | - | - | - | - |
| Contract workers | | | | | | | | | |
| Personnel numbers (head count) | 1 437 | 3 024 | 1 966 | - | - | - | - | - | - |
| Personnel cost (R thousands) | 25 900 | 62 354 | 46 638 | - | - | - | - | - | - |
| Head count as % of total for department | 76.84 | 87.47 | 81.88 | - | - | - | - | - | - |
| Personnel cost as % of total for department | 15.00 | 26.77 | 21.83 | - | - | - | - | - | - |

Contract workers consist of the Premier's special advisors, as well as other employees employed on a contractual basis, including personnel required for special programmes. From 2011/12 to 2013/14, the hike in contract worker numbers was mainly in respect of the youth ambassadors, which have since been ceased.

The department anticipates filling vacant posts in 2014/15 and over the 2015/16 MTEF. This also corresponds with the increase in the allocation for *Compensation of employees* over the period. The department anticipates filling all 655 posts on the establishment by the end of 2017/18 in line with the revised organogram.

It must be noted that the decrease in Personnel in Programme 1 is offset by the increase in Programme 2, as the department has undertaken structure changes in an effort to align the financial and organisational structures, as previously mentioned. Also, the staff in Programme 3 has increased because of new sub-programmes such as the Youth chief directorate, as well as the Royal Household.

7.2 Training

Tables 1.24 and 1.25 reflect payments and estimates on training per programme, providing actual and estimated expenditure on training for the period 2011/12 to 2014/15 and budgeted expenditure for the period 2015/16 to 2017/18. The department is required by the Skills Development Act to budget at least one per cent of its salary expense for staff training. The department has set aside one per cent of the total personnel costs in this regard. The training needs will be reviewed on an ongoing basis. This requirement gives credence to government policy on human resource development.

The budget increases steadily over the 2015/16 MTEF, as it is deemed necessary to train new appointees, as well as to develop and re-skill existing staff in line with the revised strategies of the department, where appropriate. The peak in 2012/13 includes the R20 million allocated for the youth ambassador training by SANDF. The department has since decided not to continue with the Youth Ambassadors' programme.

Table 1.24 : Payments on training by programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------------|-----------------|---------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 54 | 148 | 351 | 802 | 877 | 877 | 480 | 742 | 779 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | 54 | 148 | 351 | 802 | 877 | 877 | 480 | 742 | 779 |
| 2. Institutional Development | 764 | 1 261 | 2 756 | 5 198 | 4 348 | 4 348 | 6 297 | 5 914 | 6 210 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | 764 | 1 261 | 2 756 | 5 198 | 4 348 | 4 348 | 6 297 | 5 914 | 6 210 |
| 3. Policy and Governance | 135 | 27 139 | 18 | 821 | 691 | 691 | 1 014 | 745 | 783 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | 135 | 27 139 | 18 | 821 | 691 | 691 | 1 014 | 745 | 783 |
| Total | 953 | 28 548 | 3 125 | 6 821 | 5 916 | 5 916 | 7 791 | 7 401 | 7 772 |

Table 1.25 : Information on training: Office of the Premier

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Number of staff | 1 870 | 3 457 | 2 401 | 488 | 471 | 471 | 522 | 586 | 655 |
| Number of personnel trained | 225 | 106 | 136 | 160 | 160 | 160 | 150 | 160 | 170 |
| of which | | | | | | | | | |
| Male | 90 | 39 | 44 | 55 | 55 | 55 | 45 | 50 | 55 |
| Female | 135 | 67 | 92 | 105 | 105 | 105 | 105 | 110 | 115 |
| Number of training opportunities | 212 | 18 | 106 | 20 | 20 | 20 | 22 | 32 | 34 |
| of which | | | | | | | | | |
| Tertiary | - | - | - | - | - | - | - | - | - |
| Workshops | 12 | 12 | - | 14 | 14 | 14 | 14 | 19 | 20 |
| Seminars | 15 | 6 | - | 6 | 6 | 6 | 8 | 13 | 14 |
| Other | 185 | - | 106 | - | - | - | - | - | - |
| Number of bursaries offered | 30 | 45 | 45 | - | - | - | - | - | - |
| Number of interns appointed | 24 | 38 | 38 | 36 | 48 | 48 | 38 | 43 | 45 |
| Number of learnerships appointed | - | - | - | - | - | - | - | - | - |
| Number of days spent on training | - | - | - | - | - | - | - | - | - |

The increase in the number of training opportunities reflected from 2011/12 onwards is due to the appointment of a skills development facilitator who ensured that training gaps identified in the Personal Development Plans were dealt with, resulting in increased training opportunities. This is also reflected over the 2015/16 MTEF.

ANNEXURE – VOTE 1: OFFICE OF THE PREMIER

Table 1.A : Details of departmental receipts: Office of the Premier

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|------------|------------|--------------------|------------------------|------------------|-----------------------|------------|------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 172 | 170 | 191 | 257 | 257 | 256 | 230 | 245 | 258 |
| Sale of goods and services produced by dept. (excl. capital assets) | 172 | 170 | 191 | 257 | 257 | 256 | 230 | 245 | 258 |
| Sales by market establishments | 1 | - | 2 | 37 | 37 | (8) | - | - | - |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Other sales | 171 | 170 | 189 | 220 | 220 | 264 | 230 | 245 | 258 |
| Of which | | | | | | | | | |
| Housing rent recoveries | 8 | - | - | - | - | - | - | - | - |
| Serv rend: Commission Insurance | 163 | 170 | 160 | 185 | 185 | 185 | 190 | 201 | 212 |
| Sales: Dept publications | - | - | - | 35 | 35 | 35 | 40 | 44 | 46 |
| Sale of scrap, waste, arms and other used current goods (excl. capital assets) | - | - | - | - | - | - | - | - | - |
| Transfers received from: | - | - | - | - | - | - | - | - | - |
| Other governmental units | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments | - | - | - | - | - | - | - | - | - |
| International organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Households and non-profit institutions | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | - | 5 | 4 | 1 | 1 | 2 | 1 | 1 | 1 |
| Interest | - | 5 | 4 | 1 | 1 | 2 | 1 | 1 | 1 |
| Dividends | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | 688 | 180 | 554 | 300 | 300 | 300 | 270 | 287 | 311 |
| Land and sub-soil assets | - | 180 | - | - | - | - | - | - | - |
| Other capital assets | 688 | - | 554 | 300 | 300 | 300 | 270 | 287 | 311 |
| Transactions in financial assets and liabilities | 99 | 567 | 157 | 30 | 30 | 333 | 35 | 40 | 42 |
| Total | 959 | 922 | 906 | 588 | 588 | 891 | 536 | 573 | 612 |

Table 1.B : Payments and estimates by economic classification: Office of the Premier

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|----------------|----------------|----------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 449 835 | 570 960 | 605 567 | 645 133 | 616 887 | 616 887 | 642 487 | 645 400 | 679 973 |
| Compensation of employees | 172 688 | 232 908 | 213 622 | 254 155 | 217 008 | 217 008 | 262 949 | 272 980 | 286 629 |
| Salaries and wages | 156 062 | 214 574 | 193 423 | 233 170 | 199 621 | 199 621 | 228 395 | 239 896 | 251 890 |
| Social contributions | 16 626 | 18 334 | 20 199 | 20 985 | 17 387 | 17 387 | 34 554 | 33 084 | 34 739 |
| Goods and services | 277 147 | 338 052 | 391 945 | 390 978 | 399 879 | 399 879 | 379 538 | 372 420 | 393 345 |
| Administrative fees | 1 648 | 2 033 | 1 160 | 2 829 | 2 712 | 2 712 | 15 997 | 16 633 | 17 461 |
| Advertising | 20 752 | 17 926 | 60 668 | 32 414 | 29 446 | 31 161 | 43 587 | 45 575 | 47 854 |
| Assets less than the capitalisation threshold | 1 012 | 794 | 1 124 | 16 920 | 6 493 | 6 493 | 4 494 | 3 546 | 3 723 |
| Audit cost: External | 4 577 | 4 380 | 5 197 | 3 620 | 4 071 | 4 071 | 3 697 | 4 413 | 4 632 |
| Bursaries: Employees | 287 | 127 | 77 | 680 | 680 | 680 | 902 | 978 | 1 027 |
| Catering: Departmental activities | 7 724 | 7 125 | 18 275 | 16 663 | 25 441 | 25 441 | 20 001 | 23 613 | 24 793 |
| Communication (G&S) | 9 621 | 10 467 | 10 627 | 12 972 | 11 658 | 11 658 | 13 882 | 14 093 | 14 798 |
| Computer services | 24 963 | 36 824 | 30 511 | 52 560 | 41 671 | 41 671 | 55 313 | 41 620 | 43 701 |
| Cons & prof serv: Business and advisory services | 27 138 | 74 569 | 70 517 | 78 404 | 66 333 | 54 077 | 45 563 | 41 271 | 43 336 |
| Cons & prof serv: Infras and planning | 764 | - | - | - | 1 000 | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | 9 660 | - | - | - |
| Cons & prof serv: Legal costs | 358 | 74 | 333 | 311 | 207 | 207 | 297 | 314 | 330 |
| Contractors | 36 674 | 24 905 | 76 280 | 60 212 | 69 645 | 70 580 | 45 095 | 50 026 | 52 528 |
| Agency and support / outsourced services | 21 375 | 17 491 | 1 661 | 7 210 | 2 820 | 3 042 | 4 600 | 4 874 | 5 119 |
| Entertainment | 969 | 374 | 1 273 | 980 | 1 040 | 980 | 930 | 979 | 1 028 |
| Fleet services (incl. govt motor transport) | 2 286 | 2 965 | 4 362 | 3 285 | 3 259 | 4 043 | 3 445 | 3 632 | 3 814 |
| Housing | - | - | 10 | 50 | 50 | 50 | 36 | 38 | 40 |
| Inventory: Clothing material and accessories | - | - | 20 | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | 59 | - | - | - | - | - | - |
| Inventory: Food and food supplies | 2 783 | 1 907 | 63 | 25 | 25 | 25 | 7 | 7 | 7 |
| Inventory: Fuel, oil and gas | 1 038 | 38 | 2 | 110 | 110 | 110 | 115 | 121 | 127 |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 446 | 382 | 34 | - | - | - | - | - | - |
| Inventory: Medical supplies | 35 | 13 | - | - | - | - | - | - | - |
| Inventory: Medicine | 55 | - | - | - | - | - | - | - | - |
| Medas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | 780 | - | - | - | - | - | - | - |
| Consumable supplies | 2 464 | 356 | 2 171 | 3 104 | 3 370 | 3 370 | 3 044 | 3 686 | 3 871 |
| Consumable: Stationery, printing and office supplies | 8 302 | 7 953 | 8 104 | 6 479 | 6 473 | 6 563 | 7 982 | 7 758 | 8 146 |
| Operating leases | 14 041 | 11 656 | 11 924 | 11 022 | 11 453 | 11 453 | 11 939 | 12 286 | 12 900 |
| Property payments | 12 526 | 16 274 | 10 726 | 11 193 | 12 808 | 12 718 | 9 659 | 10 268 | 10 781 |
| Transport provided: Departmental activity | 8 923 | 7 188 | 16 728 | 10 755 | 19 862 | 19 862 | 17 117 | 19 128 | 20 086 |
| Travel and subsistence | 39 272 | 33 103 | 35 711 | 42 922 | 45 600 | 45 600 | 52 635 | 50 122 | 54 931 |
| Training and development | 953 | 28 548 | 3 125 | 6 821 | 5 916 | 5 916 | 7 791 | 7 401 | 7 772 |
| Operating payments | 3 431 | 3 509 | 252 | 831 | 1 175 | 1 175 | 1 341 | 1 104 | 1 159 |
| Venues and facilities | 22 678 | 26 198 | 20 932 | 8 606 | 25 457 | 26 561 | 10 069 | 8 934 | 9 381 |
| Rental and hiring | 52 | 93 | 19 | - | 1 104 | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 55 549 | 80 880 | 71 623 | 76 544 | 84 269 | 84 269 | 67 411 | 69 034 | 72 487 |
| Provinces and municipalities | 21 | 15 063 | 19 | 23 | 49 | 49 | 60 | 65 | 69 |
| Provinces | 21 | 63 | 19 | 23 | 49 | 49 | 60 | 65 | 69 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 21 | 63 | 19 | 23 | 49 | 49 | 60 | 65 | 69 |
| Municipalities | - | 15 000 | - | - | - | - | - | - | - |
| Municipalities | - | 15 000 | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | 15 000 | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 35 357 | 36 960 | 44 395 | 54 406 | 50 492 | 50 492 | 58 392 | 59 572 | 62 551 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 35 357 | 36 960 | 44 395 | 54 406 | 50 492 | 50 492 | 58 392 | 59 572 | 62 551 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 12 000 | 8 030 | - | - | 4 226 | 4 226 | - | - | - |
| Households | 8 171 | 20 827 | 27 209 | 22 115 | 29 502 | 29 502 | 8 959 | 9 397 | 9 867 |
| Social benefits | 224 | 606 | 1 021 | 148 | 149 | 146 | 7 914 | 8 333 | 8 750 |
| Other transfers to households | 7 947 | 20 221 | 26 188 | 21 967 | 29 353 | 29 356 | 1 045 | 1 064 | 1 117 |
| Payments for capital assets | 14 971 | 43 959 | 41 353 | 27 193 | 41 456 | 41 456 | 30 816 | 30 306 | 31 820 |
| Buildings and other fixed structures | 2 527 | 12 743 | 24 272 | 16 760 | 24 560 | 24 560 | 19 629 | 19 299 | 20 264 |
| Buildings | - | - | 8 881 | 15 697 | 15 697 | 15 697 | 15 690 | 16 522 | 17 348 |
| Other fixed structures | 2 527 | 12 743 | 15 391 | 1 063 | 8 863 | 8 863 | 3 939 | 2 777 | 2 916 |
| Machinery and equipment | 4 454 | 6 888 | 12 734 | 5 373 | 8 836 | 8 816 | 6 925 | 6 380 | 6 699 |
| Transport equipment | 1 234 | 2 126 | 5 129 | 2 245 | 2 245 | 1 245 | 2 821 | 2 972 | 3 121 |
| Other machinery and equipment | 3 220 | 4 762 | 7 605 | 3 128 | 6 591 | 7 571 | 4 104 | 3 408 | 3 578 |
| Heritage assets | 1 722 | 10 794 | 4 347 | 5 000 | 8 000 | 8 020 | 4 200 | 4 462 | 4 684 |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | 7 018 | - | - | - | - | - | - | - |
| Software and other intangible assets | 6 268 | 6 516 | - | 60 | 60 | 60 | 62 | 165 | 173 |
| Payments for financial assets | 3 774 | 1 996 | 2 531 | 2 500 | 2 500 | 2 500 | 2 500 | 2 194 | - |
| Total | 524 129 | 697 795 | 721 074 | 751 370 | 745 112 | 745 112 | 743 214 | 746 934 | 784 281 |
| Unauth. Exp. (1st charge) not available for spending | (3 767) | (1 800) | (2 500) | (2 500) | (2 500) | (2 500) | (2 500) | (2 194) | - |
| Baseline available for spending after 1st charge | 520 362 | 695 995 | 718 574 | 748 870 | 742 612 | 742 612 | 740 714 | 744 740 | 784 281 |

Table 1.C : Payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 108 038 | 137 133 | 170 409 | 201 468 | 189 370 | 189 370 | 118 013 | 102 600 | 107 730 |
| Compensation of employees | 50 837 | 56 799 | 63 500 | 78 696 | 78 351 | 78 351 | 63 968 | 65 548 | 68 825 |
| Salaries and wages | 45 470 | 51 014 | 57 210 | 69 800 | 69 100 | 69 100 | 55 254 | 57 295 | 60 160 |
| Social contributions | 5 367 | 5 785 | 6 290 | 8 896 | 9 251 | 9 251 | 8 714 | 8 253 | 8 666 |
| Goods and services | 57 201 | 80 334 | 106 909 | 122 772 | 111 019 | 111 019 | 54 045 | 37 052 | 38 905 |
| Administrative fees | 599 | 456 | 277 | 574 | 498 | 498 | 986 | 1 515 | 1 591 |
| Advertising | 1 354 | 1 306 | 140 | 502 | 502 | 502 | 280 | 321 | 337 |
| Assets less than the capitalisation threshold | 373 | 287 | 376 | 773 | 1 215 | 1 215 | 672 | 610 | 641 |
| Audit cost: External | 2 668 | 2 969 | 2 868 | 2 300 | 2 751 | 2 751 | 2 497 | 2 649 | 2 781 |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 1 919 | 2 703 | 3 461 | 3 017 | 4 886 | 4 886 | 2 305 | 1 890 | 1 985 |
| Communication (G&S) | 4 804 | 3 800 | 4 325 | 5 233 | 3 861 | 3 861 | 535 | 573 | 602 |
| Computer services | 36 | 1 869 | 7 263 | 8 065 | 8 364 | 8 364 | 22 061 | 4 942 | 5 189 |
| Cons & prof serv: Business and advisory services | 1 454 | 24 710 | 22 416 | 38 941 | 31 309 | 29 937 | 2 269 | 2 045 | 2 147 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 333 | 2 | - | 106 | 106 | 106 | 112 | 118 | 124 |
| Contractors | 5 862 | 2 408 | 24 748 | 20 319 | 12 850 | 14 340 | 1 984 | 1 600 | 1 680 |
| Agency and support / outsourced services | 2 171 | 1 679 | 27 | 5 000 | 118 | 60 | - | - | - |
| Entertainment | - | - | - | - | 60 | - | - | - | - |
| Fleet services (incl. govt motor transport) | 2 286 | 2 964 | 2 962 | 3 163 | 3 137 | 3 137 | 1 | 2 | 2 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 370 | 552 | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 7 | 10 | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 56 | 28 | 32 | - | - | - | - | - | - |
| Inventory: Medical supplies | 2 | 1 | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medcas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 64 | 209 | 394 | 961 | 972 | 972 | 671 | 735 | 772 |
| Consumable: Stationery, printing and office supplies | 1 725 | 2 152 | 1 470 | 2 138 | 2 254 | 2 254 | 2 634 | 2 208 | 2 318 |
| Operating leases | 8 370 | 9 568 | 10 136 | 8 574 | 8 861 | 8 861 | 1 557 | 1 598 | 1 678 |
| Property payments | 7 782 | 8 500 | 7 137 | 7 942 | 9 067 | 9 067 | 835 | 878 | 922 |
| Transport provided: Departmental activity | 135 | 392 | 527 | 170 | 2 170 | 2 170 | 150 | 160 | 168 |
| Travel and subsistence | 10 005 | 11 342 | 16 005 | 13 155 | 15 012 | 15 012 | 13 499 | 13 800 | 14 490 |
| Training and development | 54 | 148 | 351 | 802 | 877 | 877 | 480 | 742 | 779 |
| Operating payments | 328 | 222 | 34 | 37 | 46 | 46 | 7 | 8 | 8 |
| Venues and facilities | 4 392 | 2 040 | 1 960 | 1 000 | 2 103 | 2 103 | 510 | 658 | 691 |
| Rental and hiring | 52 | 17 | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 892 | 16 227 | 1 063 | 1 333 | 1 704 | 1 704 | 1 045 | 1 064 | 1 117 |
| Provinces and municipalities | 21 | 15 035 | 16 | 13 | 39 | 39 | - | - | - |
| Provinces | 21 | 35 | 16 | 13 | 39 | 39 | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 21 | 35 | 16 | 13 | 39 | 39 | - | - | - |
| Municipalities | - | 15 000 | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | 15 000 | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 871 | 1 192 | 1 047 | 1 320 | 1 665 | 1 665 | 1 045 | 1 064 | 1 117 |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | 871 | 1 192 | 1 047 | 1 320 | 1 665 | 1 665 | 1 045 | 1 064 | 1 117 |
| Payments for capital assets | 1 825 | 3 003 | 13 468 | 3 189 | 6 639 | 6 639 | 1 079 | 1 137 | 1 194 |
| Buildings and other fixed structures | - | 5 | 6 881 | 697 | 697 | 697 | - | 120 | 126 |
| Buildings | - | - | 6 881 | 697 | 697 | 697 | - | - | - |
| Other fixed structures | - | 5 | - | - | - | - | - | 120 | 126 |
| Machinery and equipment | 1 825 | 2 985 | 6 587 | 2 492 | 5 942 | 5 942 | 1 079 | 917 | 963 |
| Transport equipment | 1 234 | 1 721 | 4 428 | 1 000 | 1 000 | - | - | - | - |
| Other machinery and equipment | 591 | 1 264 | 2 159 | 1 492 | 4 942 | 5 942 | 1 079 | 917 | 963 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | 13 | - | - | - | - | - | 100 | 105 |
| Payments for financial assets | 6 | - | - | - | - | - | - | - | - |
| Total | 110 761 | 156 363 | 184 940 | 205 990 | 197 713 | 197 713 | 120 137 | 104 801 | 110 041 |

Table 1.D : Payments and estimates by economic classification: Institutional Development

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| R thousand | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 149 530 | 165 134 | 193 327 | 208 720 | 204 505 | 204 505 | 277 489 | 293 108 | 307 763 |
| Compensation of employees | 59 196 | 72 739 | 77 346 | 84 016 | 81 783 | 81 783 | 122 174 | 128 325 | 134 741 |
| Salaries and wages | 52 391 | 64 708 | 68 582 | 77 260 | 75 230 | 75 230 | 106 819 | 111 984 | 117 583 |
| Social contributions | 6 805 | 8 031 | 8 764 | 6 756 | 6 553 | 6 553 | 15 355 | 16 341 | 17 158 |
| Goods and services | 90 334 | 92 395 | 115 981 | 124 704 | 122 722 | 122 722 | 155 315 | 164 783 | 173 022 |
| Administrative fees | 587 | 594 | 311 | 742 | 866 | 866 | 930 | 1 774 | 1 863 |
| Advertising | 15 185 | 14 950 | 48 611 | 28 944 | 23 256 | 24 971 | 37 925 | 39 482 | 41 456 |
| Assets less than the capitalisation threshold | 457 | 416 | 632 | 1 298 | 1 561 | 1 561 | 2 332 | 2 116 | 2 222 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | 287 | 127 | 77 | 400 | 400 | 400 | 702 | 748 | 785 |
| Catering: Departmental activities | 2 008 | 2 588 | 6 558 | 7 936 | 6 011 | 6 011 | 6 500 | 9 629 | 10 110 |
| Communication (G&S) | 3 578 | 5 271 | 5 631 | 5 776 | 5 814 | 5 814 | 11 422 | 11 541 | 12 118 |
| Computer services | 7 418 | 11 015 | 9 926 | 17 745 | 17 445 | 17 445 | 27 953 | 27 531 | 28 908 |
| Cons & prof serv: Business and advisory services | 12 238 | 14 275 | 2 103 | 8 245 | 15 440 | 4 579 | 815 | 870 | 914 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | 9 660 | - | - | - |
| Cons & prof serv: Legal costs | 25 | 72 | 333 | 205 | 101 | 101 | 185 | 196 | 206 |
| Contractors | 10 204 | 4 574 | 5 618 | 22 209 | 19 535 | 18 237 | 11 518 | 14 586 | 15 315 |
| Agency and support / outsourced services | 5 143 | 4 020 | 1 521 | 580 | 1 072 | 1 072 | 900 | 1 014 | 1 065 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | 2 | 2 | 786 | 3 334 | 3 514 | 3 690 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 526 | 381 | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 176 | 28 | - | - | - | - | - | - | - |
| Inventory: Medical supplies | 31 | 10 | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 165 | 144 | 1 022 | 991 | 951 | 951 | 724 | 1 218 | 1 279 |
| Consumable: Stationery, printing and office supplies | 3 996 | 3 000 | 4 167 | 2 250 | 2 386 | 2 476 | 2 683 | 2 987 | 3 136 |
| Operating leases | 5 118 | 1 523 | 1 320 | 1 576 | 1 670 | 1 670 | 9 334 | 9 575 | 10 054 |
| Property payments | 3 655 | 6 947 | 3 525 | 3 201 | 2 691 | 2 601 | 8 764 | 9 285 | 9 749 |
| Transport provided: Departmental activity | 2 080 | 2 546 | 4 385 | 3 055 | 2 214 | 2 214 | 2 138 | 2 435 | 2 557 |
| Travel and subsistence | 10 768 | 10 384 | 10 683 | 13 351 | 14 056 | 14 056 | 18 451 | 18 603 | 19 533 |
| Training and development | 764 | 1 261 | 2 756 | 5 198 | 4 348 | 4 348 | 6 297 | 5 914 | 6 210 |
| Operating payments | 885 | 769 | 65 | 40 | 40 | 40 | 49 | 36 | 38 |
| Venues and facilities | 5 040 | 7 454 | 6 718 | 960 | 1 759 | 2 863 | 2 359 | 1 729 | 1 815 |
| Rental and hiring | - | 46 | 19 | - | 1 104 | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 19 076 | 27 059 | 25 291 | 20 650 | 27 691 | 27 691 | 53 | 57 | 60 |
| Provinces and municipalities | - | - | - | - | - | - | 50 | 54 | 57 |
| Provinces | - | - | - | - | - | - | 50 | 54 | 57 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | 50 | 54 | 57 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 12 000 | 8 030 | - | - | - | - | - | - | - |
| Households | 7 076 | 19 029 | 25 291 | 20 650 | 27 691 | 27 691 | 3 | 3 | 3 |
| Social benefits | - | - | 150 | 3 | 3 | - | 3 | 3 | 3 |
| Other transfers to households | 7 076 | 19 029 | 25 141 | 20 647 | 27 688 | 27 691 | - | - | - |
| Payments for capital assets | 1 072 | 10 076 | 7 223 | 16 410 | 16 815 | 16 815 | 19 906 | 21 052 | 22 105 |
| Buildings and other fixed structures | - | - | 2 000 | 15 000 | 15 000 | 15 000 | 16 417 | 17 308 | 18 173 |
| Buildings | - | - | 2 000 | 15 000 | 15 000 | 15 000 | 15 690 | 16 522 | 17 348 |
| Other fixed structures | - | - | - | - | - | - | 727 | 786 | 825 |
| Machinery and equipment | 1 072 | 3 052 | 5 223 | 1 350 | 1 755 | 1 735 | 3 227 | 3 429 | 3 600 |
| Transport equipment | - | - | - | - | - | - | 1 500 | 1 580 | 1 659 |
| Other machinery and equipment | 1 072 | 3 052 | 5 223 | 1 350 | 1 755 | 1 735 | 1 727 | 1 849 | 1 941 |
| Heritage assets | - | - | - | - | - | 20 | 200 | 250 | 263 |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | 7 018 | - | - | - | - | - | - | - |
| Software and other intangible assets | - | 6 | - | 60 | 60 | 60 | 62 | 65 | 68 |
| Payments for financial assets | 1 | 28 | 12 | - | - | - | - | - | - |
| Total | 169 679 | 202 297 | 225 853 | 245 780 | 249 011 | 249 011 | 297 448 | 314 217 | 329 928 |

Table 1.E : Payments and estimates by economic classification: Policy and Governance

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 192 267 | 268 693 | 241 831 | 234 945 | 223 012 | 223 012 | 246 985 | 249 692 | 264 480 |
| Compensation of employees | 62 655 | 103 370 | 72 776 | 91 443 | 56 874 | 56 874 | 76 807 | 79 107 | 83 062 |
| Salaries and wages | 58 201 | 98 852 | 67 631 | 86 110 | 55 291 | 55 291 | 66 322 | 70 617 | 74 147 |
| Social contributions | 4 454 | 4 518 | 5 145 | 5 333 | 1 583 | 1 583 | 10 485 | 8 490 | 8 915 |
| Goods and services | 129 612 | 165 323 | 169 055 | 143 502 | 166 138 | 166 138 | 170 178 | 170 585 | 181 418 |
| Administrative fees | 462 | 983 | 572 | 1 513 | 1 348 | 1 348 | 14 081 | 13 344 | 14 008 |
| Advertising | 4 213 | 1 670 | 11 917 | 2 968 | 5 688 | 5 688 | 5 382 | 5 772 | 6 061 |
| Assets less than the capitalisation threshold | 182 | 91 | 116 | 14 849 | 3 717 | 3 717 | 1 490 | 820 | 861 |
| Audit cost: External | 1 909 | 1 411 | 2 329 | 1 320 | 1 320 | 1 320 | 1 200 | 1 764 | 1 851 |
| Bursaries: Employees | - | - | - | 280 | 280 | 280 | 200 | 230 | 242 |
| Catering: Departmental activities | 3 797 | 1 834 | 8 256 | 5 710 | 14 544 | 14 544 | 11 196 | 12 094 | 12 698 |
| Communication (G&S) | 1 239 | 1 396 | 671 | 1 963 | 1 983 | 1 983 | 1 925 | 1 979 | 2 078 |
| Computer services | 17 509 | 23 940 | 13 322 | 26 750 | 15 862 | 15 862 | 5 299 | 9 147 | 9 604 |
| Cons & prof serv: Business and advisory services | 13 446 | 35 584 | 45 998 | 31 218 | 19 584 | 19 584 | 42 479 | 38 356 | 40 275 |
| Cons & prof serv: Infras and planning | 764 | - | - | - | 1 000 | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 20 608 | 17 923 | 45 914 | 17 684 | 37 260 | 38 003 | 31 593 | 33 840 | 35 533 |
| Agency and support / outsourced services | 14 061 | 11 792 | 113 | 1 630 | 1 630 | 1 910 | 3 700 | 3 860 | 4 054 |
| Entertainment | 969 | 374 | 1 273 | 980 | 980 | 980 | 930 | 979 | 1 028 |
| Fleet services (incl. govt motor transport) | - | 1 | 1 400 | 120 | 120 | 120 | 110 | 116 | 122 |
| Housing | - | - | 10 | 50 | 50 | 50 | 36 | 38 | 40 |
| Inventory: Clothing material and accessories | - | - | 20 | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | 59 | - | - | - | - | - | - |
| Inventory: Food and food supplies | 1 887 | 974 | 63 | 25 | 25 | 25 | 7 | 7 | 7 |
| Inventory: Fuel, oil and gas | 1 031 | 28 | 2 | 110 | 110 | 110 | 115 | 121 | 127 |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 214 | 326 | 2 | - | - | - | - | - | - |
| Inventory: Medical supplies | 2 | 2 | - | - | - | - | - | - | - |
| Inventory: Medicine | 55 | - | - | - | - | - | - | - | - |
| Medias inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | 780 | - | - | - | - | - | - | - |
| Consumable supplies | 2 235 | 3 | 755 | 1 152 | 1 447 | 1 447 | 1 649 | 1 733 | 1 820 |
| Consumable: Stationery, printing and office supplies | 2 581 | 2 801 | 2 467 | 2 091 | 1 833 | 1 833 | 2 665 | 2 563 | 2 691 |
| Operating leases | 553 | 565 | 468 | 872 | 922 | 922 | 1 048 | 1 113 | 1 168 |
| Property payments | 1 089 | 827 | 64 | 50 | 1 050 | 1 050 | 60 | 105 | 110 |
| Transport provided: Departmental activity | 6 708 | 4 250 | 11 816 | 7 530 | 15 478 | 15 478 | 14 829 | 16 533 | 17 361 |
| Travel and subsistence | 18 499 | 11 377 | 9 023 | 16 416 | 16 532 | 16 532 | 20 685 | 17 719 | 20 908 |
| Training and development | 135 | 27 139 | 18 | 821 | 691 | 691 | 1 014 | 745 | 783 |
| Operating payments | 2 218 | 2 518 | 153 | 754 | 1 089 | 1 089 | 1 285 | 1 060 | 1 113 |
| Venues and facilities | 13 246 | 16 704 | 12 254 | 6 646 | 21 595 | 21 595 | 7 200 | 6 547 | 6 875 |
| Rental and hiring | - | 30 | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 35 581 | 37 594 | 45 269 | 54 561 | 54 874 | 54 874 | 66 313 | 67 913 | 71 310 |
| Provinces and municipalities | - | 28 | 3 | 10 | 10 | 10 | 10 | 11 | 12 |
| Provinces | - | 28 | 3 | 10 | 10 | 10 | 10 | 11 | 12 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | 28 | 3 | 10 | 10 | 10 | 10 | 11 | 12 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 35 357 | 36 960 | 44 395 | 54 406 | 50 492 | 50 492 | 58 392 | 59 572 | 62 551 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 35 357 | 36 960 | 44 395 | 54 406 | 50 492 | 50 492 | 58 392 | 59 572 | 62 551 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | 4 226 | 4 226 | - | - | - |
| Households | 224 | 606 | 871 | 145 | 146 | 146 | 7 911 | 8 330 | 8 747 |
| Social benefits | 224 | 606 | 871 | 145 | 146 | 146 | 7 911 | 8 330 | 8 747 |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 12 074 | 30 880 | 20 662 | 7 594 | 18 002 | 18 002 | 9 831 | 8 117 | 8 522 |
| Buildings and other fixed structures | 2 527 | 12 738 | 15 391 | 1 063 | 8 863 | 8 863 | 3 212 | 1 871 | 1 965 |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | 2 527 | 12 738 | 15 391 | 1 063 | 8 863 | 8 863 | 3 212 | 1 871 | 1 965 |
| Machinery and equipment | 1 557 | 851 | 924 | 1 531 | 1 139 | 1 139 | 2 619 | 2 034 | 2 136 |
| Transport equipment | - | 405 | 701 | 1 245 | 1 245 | 1 245 | 1 321 | 1 392 | 1 462 |
| Other machinery and equipment | 1 557 | 446 | 223 | 286 | (106) | (106) | 1 298 | 642 | 674 |
| Heritage assets | 1 722 | 10 794 | 4 347 | 5 000 | 8 000 | 8 000 | 4 000 | 4 212 | 4 421 |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 6 268 | 6 497 | - | - | - | - | - | - | - |
| Payments for financial assets | 3 767 | 1 968 | 2 519 | 2 500 | 2 500 | 2 500 | 2 500 | 2 194 | - |
| Total | 243 689 | 339 135 | 310 281 | 299 600 | 298 388 | 298 388 | 325 629 | 327 916 | 344 312 |
| Unauth. Exp. (1st charge) not available for spending | (3 767) | (1 800) | (2 500) | (2 500) | (2 500) | (2 500) | (2 500) | (2 194) | - |
| Baseline available for spending after 1st charge | 239 922 | 337 335 | 307 781 | 297 100 | 295 888 | 295 888 | 323 129 | 325 722 | 344 312 |

Table 1.F : Office of the Premier - Payments of infrastructure by category

| Project name | | Municipality / Region | Type of infrastructure | | Project duration | | Source of funding | Budget programme name | Targeted number of jobs for 2015/16 | Total project cost | Expenditure to date from previous years | Total available | MTEF Forward estimates | |
|--|--|-----------------------|--|-------|------------------|---------------|-------------------|-----------------------|-------------------------------------|--------------------|---|-----------------|------------------------|---------|
| | | | School - primary/ secondary/ specialised; admin block; water; electricity; sanitation/toilet; fencing etc. | Units | Date: Start | Date: Finish | | | | | | | 2015/16 | 2016/17 |
| R thousands | | | | | | | | | | | | | | |
| Existing infrastructure assets | | | | | | | | | - | | - | 4 666 | 3 543 | 2 916 |
| <i>of which:</i> | | | | | | | | | - | | - | - | - | - |
| Maintenance and repair: Current | | | | | | | | | - | | - | - | - | - |
| Upgrades and additions: Capital | | | | | | | | | - | | - | - | - | - |
| Refurbishment and rehabilitation: Capital | | | | | | | | | - | | - | - | - | - |
| Premier's Parkside Residence | | uMngungundlovu | Admin Block | 1 | 01 April 2015 | 31 March 2017 | Equitable share | Programme 1 | - | | - | 727 | 766 | 2 916 |
| Moses Mabhida Building | | uMngungundlovu | Admin Block | 1 | 01 April 2011 | 01 March 2018 | Equitable share | Programme 1 | - | | - | 3 939 | 2 777 | 2 916 |
| New infrastructure assets: Capital | | | | | | | | | - | | 1 500 | 14 963 | 15 756 | 17 348 |
| <i>of which:</i> | | | | | | | | | - | | 1 500 | 14 963 | 15 756 | 17 348 |
| Infrastructure transfers | | eThekweni | Admin Block | 1 | 01 April 2014 | 31 March 2018 | Equitable share | Programme 2 | - | | - | - | - | - |
| <i>of which:</i> | | | | | | | | | - | | - | - | - | - |
| Infrastructure transfers: Current | | | | | | | | | - | | - | - | - | - |
| Infrastructure transfers: Capital | | | | | | | | | - | | - | - | - | - |
| Infrastructure: Payments for financial assets | | | | | | | | | - | | - | - | - | - |
| Infrastructure: Leases | | | | | | | | | - | | - | - | - | - |
| Total | | | | | | | | | - | | 1 500 | 19 629 | 19 299 | 20 264 |
| <i>Capital infrastructure</i> | | | | | | | | | - | | 1 500 | 19 629 | 19 299 | 20 264 |
| <i>Current infrastructure</i> | | | | | | | | | - | | - | - | - | - |

Table 1.G : Summary of transfers to local government

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | - | 15 000 | - | - | - | - | - | - |
| Total: Ugu Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN211 Vulamehlo | - | - | - | - | - | - | - | - | - |
| B KZN212 Umdoni | - | - | - | - | - | - | - | - | - |
| B KZN213 Umzumbi | - | - | - | - | - | - | - | - | - |
| B KZN214 uMuziwabantu | - | - | - | - | - | - | - | - | - |
| B KZN215 Ezinqoleni | - | - | - | - | - | - | - | - | - |
| B KZN216 Hibiscus Coast | - | - | - | - | - | - | - | - | - |
| C DC21 Ugu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN221 uMshwathi | - | - | - | - | - | - | - | - | - |
| B KZN222 uMngeni | - | - | - | - | - | - | - | - | - |
| B KZN223 Mpofoana | - | - | - | - | - | - | - | - | - |
| B KZN224 Impendle | - | - | - | - | - | - | - | - | - |
| B KZN225 Msunduzi | - | - | - | - | - | - | - | - | - |
| B KZN226 Mkhambathini | - | - | - | - | - | - | - | - | - |
| B KZN227 Richmond | - | - | - | - | - | - | - | - | - |
| C DC22 uMgungundlovu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Uthukela Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN232 Emnambithi/Ladysmith | - | - | - | - | - | - | - | - | - |
| B KZN233 Indaka | - | - | - | - | - | - | - | - | - |
| B KZN234 Umshezi | - | - | - | - | - | - | - | - | - |
| B KZN235 Okhahlamba | - | - | - | - | - | - | - | - | - |
| B KZN236 Imbabazane | - | - | - | - | - | - | - | - | - |
| C DC23 Uthukela District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN241 Endumeni | - | - | - | - | - | - | - | - | - |
| B KZN242 Ngutu | - | - | - | - | - | - | - | - | - |
| B KZN244 Msinga | - | - | - | - | - | - | - | - | - |
| B KZN245 Umvoti | - | - | - | - | - | - | - | - | - |
| C DC24 Umzinyathi District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN252 Newcastle | - | - | - | - | - | - | - | - | - |
| B KZN253 eMadlangeni | - | - | - | - | - | - | - | - | - |
| B KZN254 Dannhauser | - | - | - | - | - | - | - | - | - |
| C DC25 Amajuba District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN261 eDumbe | - | - | - | - | - | - | - | - | - |
| B KZN262 uPhongolo | - | - | - | - | - | - | - | - | - |
| B KZN263 Abaqulusi | - | - | - | - | - | - | - | - | - |
| B KZN265 Nongoma | - | - | - | - | - | - | - | - | - |
| B KZN266 Ulundi | - | - | - | - | - | - | - | - | - |
| C DC26 Zululand District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Umkhanyakude Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN271 Umhlalabuyalingana | - | - | - | - | - | - | - | - | - |
| B KZN272 Jozini | - | - | - | - | - | - | - | - | - |
| B KZN273 The Big 5 False Bay | - | - | - | - | - | - | - | - | - |
| B KZN274 Hlabisa | - | - | - | - | - | - | - | - | - |
| B KZN275 Mtubatuba | - | - | - | - | - | - | - | - | - |
| C DC27 Umkhanyakude District Municipality | - | - | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN281 Umfolozi | - | - | - | - | - | - | - | - | - |
| B KZN282 uMhlathuze | - | - | - | - | - | - | - | - | - |
| B KZN283 Ntambanana | - | - | - | - | - | - | - | - | - |
| B KZN284 uMlalazi | - | - | - | - | - | - | - | - | - |
| B KZN285 Mthonjaneni | - | - | - | - | - | - | - | - | - |
| B KZN286 Nkandla | - | - | - | - | - | - | - | - | - |
| C DC28 uThungulu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Ilembe Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN291 Mandeni | - | - | - | - | - | - | - | - | - |
| B KZN292 KwaDukuza | - | - | - | - | - | - | - | - | - |
| B KZN293 Ndwedwe | - | - | - | - | - | - | - | - | - |
| B KZN294 Maphumulo | - | - | - | - | - | - | - | - | - |
| C DC29 Ilembe District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN431 Ingwe | - | - | - | - | - | - | - | - | - |
| B KZN432 Kwa Sani | - | - | - | - | - | - | - | - | - |
| B KZN433 Greater Kokstad | - | - | - | - | - | - | - | - | - |
| B KZN434 Ubuhlebezwe | - | - | - | - | - | - | - | - | - |
| B KZN435 Umzimkulu | - | - | - | - | - | - | - | - | - |
| C DC43 Harry Gwala District Municipality | - | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | - | 15 000 | - | - | - | - | - | - |

Table 1.H : Financial summary for Amafa aKwaZulu-Natal (Amafa)

| R thousand | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|----------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Revenue | | | | | | | |
| Tax revenue | - | - | - | - | - | - | - |
| Non-tax revenue | 3 087 | 3 733 | 2 439 | 1 394 | 2 183 | 2 293 | 2 407 |
| Sale of goods and services other than capital assets | 1 950 | 884 | 1 125 | 770 | 1 520 | 1 596 | 1 676 |
| Interest, dividends and rent on land | 1 137 | 2 849 | 1 314 | 624 | 663 | 697 | 731 |
| Other non-tax revenue | - | - | - | - | - | - | - |
| Transfers received | 24 057 | 26 460 | 29 095 | 35 149 | 34 977 | 34 916 | 36 662 |
| Sale of capital assets | - | - | 42 | - | - | - | - |
| Total revenue | 27 144 | 30 193 | 31 576 | 36 543 | 37 160 | 37 209 | 39 069 |
| Expenses | | | | | | | |
| Current expense | 25 543 | 30 241 | 30 207 | 39 206 | 38 660 | 38 709 | 40 569 |
| Compensation of employees | 17 168 | 17 928 | 19 992 | 24 007 | 27 193 | 27 523 | 28 900 |
| Use of goods and services | 6 839 | 10 758 | 8 761 | 12 951 | 9 967 | 9 686 | 10 169 |
| Depreciation | 1 536 | 1 555 | 1 454 | 2 248 | 1 500 | 1 500 | 1 500 |
| Transfers and subsidies | - | - | - | - | - | - | - |
| Total expenses | 25 543 | 30 241 | 30 207 | 39 206 | 38 660 | 38 709 | 40 569 |
| Surplus / (Deficit)* | 1 601 | (48) | 1 369 | (2 663) | (1 500) | (1 500) | (1 500) |
| Cash flow summary | | | | | | | |
| Adjust surplus / (deficit) for accrual transactions | 1 546 | 1 539 | (1 313) | (756) | 1 500 | 1 500 | 1 500 |
| Adjustments for: | | | | | | | |
| Depreciation | 1 536 | 1 555 | 1 787 | - | 1 500 | 1 500 | 1 500 |
| Net (profit) / loss on disposal of fixed assets | 10 | (16) | (42) | - | - | - | - |
| Other | - | - | (3 058) | (756) | - | - | - |
| Operating surplus / (deficit) before changes in working capital | 3 147 | 1 491 | 56 | (3 419) | - | - | - |
| Changes in working capital | (223) | 603 | 116 | - | - | - | - |
| (Decrease) / increase in accounts payable | 33 | 133 | (48) | - | - | - | - |
| Decrease / (increase) in accounts receivable | (302) | 781 | 36 | - | - | - | - |
| (Decrease) / increase in provisions | 46 | (311) | 128 | - | - | - | - |
| Cash flow from operating activities | 2 924 | 2 094 | 172 | (3 419) | - | - | - |
| Transfers from government | 24 057 | 26 460 | 29 095 | 35 149 | 34 977 | 34 916 | 36 662 |
| Of which: | | | | | | | |
| Capital | - | - | - | - | - | - | - |
| Current | 24 057 | 26 460 | 29 095 | 35 149 | 34 977 | 34 916 | 36 662 |
| Cash flow from investing activities | (823) | (376) | (3 201) | (1 948) | (432) | (328) | (344) |
| Acquisition of assets | (823) | (376) | (3 201) | (1 948) | (432) | (328) | (344) |
| Non-residential buildings | (122) | (48) | (194) | - | - | - | - |
| Biological assets | - | - | (228) | - | - | - | - |
| Computer equipment | (106) | (22) | (159) | - | - | - | - |
| Furniture and office equipment | (595) | (306) | (312) | (324) | (432) | (328) | (344) |
| Transport assets | - | - | (2 308) | (1 624) | - | - | - |
| Other flows from investing activities | - | - | - | - | - | - | - |
| Cash flow from financing activities | 8 | 31 | - | - | - | - | - |
| Net increase / (decrease) in cash and cash equivalents | 2 109 | 1 749 | (3 029) | (5 367) | (432) | (328) | (344) |
| Statement of financial position | | | | | | | |
| Carrying value of assets | 32 470 | 31 247 | 33 218 | 33 188 | 31 692 | 30 259 | 28 881 |
| Non-residential buildings | 24 371 | 23 897 | 23 563 | 23 563 | 23 063 | 22 574 | 22 094 |
| Biological assets | - | - | 961 | 950 | 950 | 950 | 950 |
| Computer equipment | 74 | 55 | 68 | 51 | 38 | 28 | 21 |
| Furniture and office equipment | 6 281 | 5 820 | 5 249 | 4 824 | 4 341 | 3 907 | 3 516 |
| Transport assets | 1 744 | 1 475 | 3 377 | 3 800 | 3 300 | 2 800 | 2 300 |
| Investments | - | - | - | - | - | - | - |
| Cash and cash equivalents | 18 352 | 20 101 | 17 072 | 14 368 | 14 364 | 14 297 | 14 175 |
| Receivables and prepayments | 346 | 94 | 58 | - | - | - | - |
| Trade receivables | 113 | 94 | 58 | - | - | - | - |
| Prepaid expenses | 233 | - | - | - | - | - | - |
| Inventory | 1 311 | 813 | 219 | 180 | 180 | 180 | 180 |
| Total assets | 52 479 | 52 255 | 50 567 | 47 736 | 46 236 | 44 736 | 43 236 |
| Capital and reserves | 51 022 | 50 974 | 49 209 | 46 546 | 45 046 | 43 546 | 42 046 |
| Accumulated reserves | 49 421 | 51 022 | 50 976 | 49 209 | 46 546 | 45 046 | 43 546 |
| Surplus / (deficit) | 1 601 | (48) | 1 369 | (2 663) | (1 500) | (1 500) | (1 500) |
| Other | - | - | (3 136) | - | - | - | - |
| Borrowings | - | - | - | - | - | - | - |
| Post retirement benefits | - | - | - | - | - | - | - |
| Trade and other payables | 83 | 218 | 167 | - | - | - | - |
| Deferred income | - | - | - | - | - | - | - |
| Provisions | 1 374 | 1 063 | 1 190 | 1 190 | 1 190 | 1 190 | 1 190 |
| Leave pay provision | 963 | 657 | 739 | 739 | 739 | 739 | 739 |
| Bonus pay provision | 411 | 406 | 451 | 451 | 451 | 451 | 451 |
| Funds managed (e.g. Poverty alleviation fund) | - | - | - | - | - | - | - |
| Contingent liabilities | - | - | - | - | - | - | - |
| Total equity and liabilities | 52 479 | 52 255 | 50 567 | 47 736 | 46 236 | 44 736 | 43 236 |

*Note: The deficit is as a result of the accounting treatment of depreciation and has no bearing on the cash position of the entity.

Table 1.1 : Financial summary for Royal Household Trust (RHT)

| R thousand | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|------------------|-----------------------|----------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Revenue | | | | | | | |
| Tax revenue | - | - | - | - | - | - | - |
| Non-tax revenue | 56 | 206 | 127 | - | - | - | - |
| Interest, dividends and rent on land | 28 | 6 | 7 | - | - | - | - |
| Other non-tax revenue | 28 | 200 | 120 | - | - | - | - |
| Transfers received* | 12 000 | 10 800 | 15 300 | 15 343 | 23 415 | 24 656 | 25 889 |
| Sale of capital assets | - | - | - | - | - | - | - |
| Total revenue | 12 056 | 11 006 | 15 427 | 15 343 | 23 415 | 24 656 | 25 889 |
| Expenses | | | | | | | |
| Current expense | 13 378 | 12 207 | 16 344 | 15 930 | 22 012 | 23 401 | 25 490 |
| Compensation of employees | 2 393 | 2 601 | 3 459 | 2 652 | 5 091 | 5 449 | 6 717 |
| Use of goods and services | 10 578 | 8 288 | 11 561 | 12 802 | 15 696 | 17 222 | 18 200 |
| Depreciation | 406 | 1 318 | 1 324 | 476 | 1 225 | 730 | 573 |
| Transfers and subsidies | - | - | - | - | - | - | - |
| Total expenses | 13 378 | 12 207 | 16 344 | 15 930 | 22 012 | 23 401 | 25 490 |
| Surplus / (Deficit)** | (1 322) | (1 202) | (917) | (587) | 1 403 | 1 255 | 399 |
| Cash flow summary | | | | | | | |
| Adjust surplus / (deficit) for accrual transactions | 434 | 1 673 | 1 324 | 476 | 1 225 | 730 | 573 |
| Adjustments for: | | | | | | | |
| Depreciation | 406 | 1 318 | 1 324 | 476 | 1 225 | 730 | 573 |
| Net (profit) / loss on disposal of fixed assets | - | 202 | - | - | - | - | - |
| Other | 28 | 153 | - | - | - | - | - |
| Operating surplus / (deficit) before changes in working capital | (888) | 471 | 407 | (111) | 2 628 | 1 985 | 972 |
| Changes in working capital | 2 028 | 554 | (1 729) | 2 546 | - | - | - |
| (Decrease) / increase in accounts payable | 3 556 | (555) | (1 729) | 2 546 | - | - | - |
| Decrease / (increase) in accounts receivable | (1 528) | 1 109 | - | - | - | - | - |
| Cash flow from operating activities | 1 140 | 1 025 | (1 322) | 2 435 | 2 628 | 1 985 | 972 |
| Transfers from government | 12 000 | 10 800 | 15 300 | 15 343 | 23 415 | 24 656 | 25 889 |
| Capital | 3 888 | 53 | 227 | 3 334 | 3 228 | 3 786 | 3 975 |
| Current | 8 112 | 10 747 | 15 073 | 12 009 | 20 187 | 20 870 | 21 914 |
| Cash flow from investing activities | (4 101) | (53) | (227) | (3 102) | (2 628) | (1 985) | (972) |
| Acquisition of assets | (3 888) | (53) | (227) | (3 102) | (2 628) | (1 985) | (972) |
| Dwellings | - | - | - | (1 004) | - | - | - |
| Computer equipment | (178) | - | - | - | - | - | - |
| Furniture and office equipment | (280) | (53) | - | (487) | (1 505) | (1 580) | (106) |
| Other machinery and equipment | - | - | (57) | - | (700) | - | (830) |
| Specialised military assets | - | - | - | - | - | - | - |
| Transport assets | (3 356) | - | (143) | (1 582) | (393) | (373) | - |
| Computer software | (74) | - | (27) | (29) | (31) | (32) | (36) |
| Other flows from investing activities | (213) | - | - | - | - | - | - |
| Cash flow from financing activities | 3 155 | (1 203) | (1 203) | - | - | - | - |
| Finance lease | 3 155 | (1 203) | (1 203) | - | - | - | - |
| Net increase / (decrease) in cash and cash equivalents | 194 | (231) | (2 753) | (667) | - | - | - |
| Balance sheet data | | | | | | | |
| Carrying value of assets | 3 997 | 2 530 | 1 392 | 1 897 | 1 915 | 1 434 | 1 434 |
| Dwellings | - | - | - | 1 004 | - | - | - |
| Computer equipment | 131 | 49 | 12 | 118 | 123 | 137 | 101 |
| Furniture and office equipment | 649 | 314 | 273 | 425 | 1 266 | 629 | 537 |
| Other Machinery and equipment | - | 85 | 56 | 311 | 404 | 485 | 692 |
| Transport assets | 3 169 | 2 051 | 1 051 | 1 | 67 | 92 | 57 |
| Computer software | 48 | 31 | - | 38 | 55 | 91 | 46 |
| Investments | - | - | 286 | - | - | - | - |
| Cash and cash equivalents | 347 | 117 | - | - | 333 | 842 | - |
| Bank | 119 | 93 | - | - | 333 | 842 | - |
| Cash on hand | 1 | (1) | - | - | - | - | - |
| Other | 228 | 25 | - | - | - | - | - |
| Receivables and prepayments | 1 800 | 691 | 100 | 329 | 343 | - | - |
| Trade receivables | - | - | - | 329 | 343 | - | - |
| Other receivables | 286 | 286 | - | - | - | - | - |
| Prepaid expenses | 815 | 106 | 100 | - | - | - | - |
| Accrued income | 700 | 300 | - | - | - | - | - |
| Inventory | - | - | - | - | - | - | - |
| Total assets | 6 145 | 3 338 | 1 778 | 2 226 | 2 591 | 2 276 | 1 434 |
| Capital and reserves | (1 030) | (2 232) | (3 149) | (3 736) | (2 333) | (1 078) | (679) |
| Accumulated reserves | 292 | (1 030) | (2 232) | (3 149) | (3 736) | (2 333) | (1 078) |
| Surplus / (Deficit) | (1 322) | (1 202) | (917) | (587) | 1 403 | 1 255 | 399 |
| Borrowings | 3 183 | 2 133 | 1 002 | 1 663 | 1 569 | 822 | 331 |
| Post retirement benefits | - | - | - | - | - | - | - |
| Trade and other payables | 3 543 | 3 227 | 3 387 | 3 647 | 2 741 | 2 046 | 1 233 |
| Trade payables | 3 543 | 3 227 | 2 969 | 3 647 | 2 741 | 2 046 | 1 233 |
| Other | - | - | 418 | - | - | - | - |
| Deferred income | - | - | - | - | - | - | - |
| Provisions | 448 | 209 | 538 | 652 | 614 | 486 | 549 |
| Leave pay provision | - | 34 | 182 | 286 | 223 | 67 | 35 |
| Provision for 13th cheque | 448 | 174 | 356 | 366 | 391 | 419 | 514 |
| Funds managed (e.g. Poverty alleviation fund) | - | - | - | - | - | - | - |
| Contingent liabilities | - | - | - | - | - | - | - |
| Total equity and liabilities | 6 145 | 3 339 | 1 778 | 2 226 | 2 591 | 2 276 | 1 434 |

*Note: Some Transfers received do not equal amounts in Table 1.9, as portion of the transfers is reflected against other items in the statement of financial position.

**Note: The surplus reflected is as a result of the accounting treatment of the purchase of capital items.

Table 1.J : Personnel summary for Amafa

| | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|------------|------------|------------------|-----------------------|------------|------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Headcount | | | | | | | |
| A. Permanent and full-time-contract employees | | | | | | | |
| Personnel cost (R thousand) | 16 468 | 17 361 | 19 206 | 24 007 | 26 213 | 27 523 | 28 900 |
| Personnel numbers (head count) | 100 | 98 | 97 | 99 | 99 | 99 | 99 |
| Unit cost | 165 | 177 | 198 | 242 | 265 | 278 | 292 |
| B. Part-time and temporary contract employees | | | | | | | |
| Personnel cost (R thousand) | 700 | 567 | 786 | 970 | 1 038 | 1 110 | 1 188 |
| Personnel numbers (head count) | 150 | 150 | 150 | 150 | 150 | 150 | 150 |
| Unit cost | 5 | 4 | 5 | 6 | 7 | 7 | 8 |
| C. Interns | | | | | | | |
| Personnel cost (R thousand) | - | - | - | - | - | - | - |
| Personnel numbers (head count) | - | - | - | - | - | - | - |
| Unit cost | - | - | - | - | - | - | - |
| Total for entity | | | | | | | |
| Personnel cost (R thousand) | 17 168 | 17 928 | 19 992 | 24 977 | 27 251 | 28 633 | 30 088 |
| Personnel numbers (head count) | 250 | 248 | 247 | 249 | 249 | 249 | 249 |
| Unit cost | 69 | 72 | 81 | 100 | 109 | 115 | 121 |
| D. Learnerships | | | | | | | |
| Personnel cost (R thousand) | - | - | - | - | - | - | - |
| Personnel numbers (head count) | - | - | - | - | - | - | - |
| Unit cost | - | - | - | - | - | - | - |
| Details of personnel numbers according to salary level | | | | | | | |
| Salary level | | | | | | | |
| Board members | 6 | 6 | 14 | 10 | 10 | 10 | 10 |
| Executive Management | 1 | 1 | - | - | 1 | 1 | 1 |
| Senior Management | 3 | 3 | 3 | 4 | 4 | 4 | 4 |
| Middle Management | 7 | 7 | 7 | 7 | 8 | 8 | 8 |
| Professionals | - | - | - | - | - | - | - |
| Semi-skilled | 34 | 32 | 32 | 33 | 32 | 32 | 32 |
| Very low skilled | 205 | 205 | 205 | 205 | 204 | 204 | 204 |
| Total | 256 | 254 | 261 | 259 | 259 | 259 | 259 |

Table 1.K : Personnel summary for RHT

| | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|-----------|-----------|------------------|-----------------------|-----------|-----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| A. Permanent and full-time-contract employees | | | | | | | |
| Personnel cost (R thousand) | 2 311 | 589 | 3 203 | 4 758 | 5 091 | 5 449 | 5 831 |
| Personnel numbers (head count) | 6 | 2 | 7 | 10 | 9 | 9 | 9 |
| Unit cost | 385 | 295 | 458 | 476 | 566 | 605 | 648 |
| B. Part-time and temporary contract employees | | | | | | | |
| Personnel cost (R thousand) | - | 1 508 | 255 | - | - | - | - |
| Personnel numbers (head count) | - | 4 | 3 | - | - | - | - |
| Unit cost | - | 377 | 85 | - | - | - | - |
| C. Interns | | | | | | | |
| Personnel cost (R thousand) | - | 192 | - | - | - | - | - |
| Personnel numbers (head count) | - | 2 | - | - | - | - | - |
| Unit cost | - | 96 | - | - | - | - | - |
| Total for entity | | | | | | | |
| Personnel cost (R thousand) | 2 311 | 2 289 | 3 459 | 4 758 | 5 091 | 5 449 | 5 831 |
| Personnel numbers (head count) | 6 | 8 | 10 | 10 | 9 | 9 | 9 |
| Unit cost | 385 | 286 | 346 | 476 | 566 | 605 | 648 |
| D. Learnerships | | | | | | | |
| Personnel cost (R thousand) | - | - | - | - | - | - | - |
| Personnel numbers (head count) | - | - | - | - | - | - | - |
| Unit cost | - | - | - | - | - | - | - |
| Details of personnel numbers according to salary level | | | | | | | |
| Salary level | | | | | | | |
| Board Members | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Executive Management | 1 | 1 | 1 | 1 | - | - | - |
| Senior Management | 1 | - | 2 | 2 | 2 | 2 | 2 |
| Middle Management | - | 1 | 1 | 1 | 1 | 1 | 1 |
| Professionals | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Semi-skilled | 1 | 3 | 3 | 3 | 3 | 3 | 3 |
| Very low skilled | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Total | 13 | 15 | 17 | 17 | 16 | 16 | 16 |

VOTE 2

Provincial Legislature

| | |
|--|---------------------------------------|
| Operational budget | R 379 920 000 |
| Remuneration of the Speaker and Deputy Speaker | R 3 253 000 |
| Statutory amount (Members' remuneration) | R 82 321 000 |
| Total budget | R 465 494 000 |
| Total to be appropriated (excl. Members' remuneration) | R 383 173 000 |
| Responsible MEC | Speaker of the Provincial Legislature |
| Administering department | Provincial Legislature |
| Accounting officer | Secretary: Provincial Legislature |

1. Overview

Vision

The vision of the Provincial Legislature (hereafter referred to as the Legislature) is: *To be an activist, people-centred Legislature.*

Mission statement

The Legislature's mission statement is: *To deepen democracy and entrench activism in KwaZulu-Natal through robust oversight, effective public participation and efficient law-making.*

Strategic objectives

Strategic policy direction: By focussing on its oversight role and by encouraging public participation, the Legislature seeks to align its operations and strategic position with the overall aim of government to achieve accountability and effective service delivery for all citizens of the province in the following areas: access to quality education and health care, prevention of crime and eradication of corruption, creation of decent work and expansion of work opportunities, and agrarian reform and rural development.

Law-making

To be an effective, efficient and visible law-maker through:

- Improved technical capacity on law-making by the Legislature.
- Constitutionally compliant laws enacted by the Legislature.

Oversight

To ensure effective execution of oversight on service delivery, governance and implementation of laws (and conventions) by the Provincial Executive Council through:

- Improved oversight on compliance and accountability by provincial organs of state in terms of relevant legislative prescripts and protocols.
- Improved oversight on service delivery targets set in the NDP, PGDP and MTSF and on the achievement of government outcomes.
- Acceleration of economic transformation in the province.

Public participation

To ensure enhanced public participation in all legislative processes of the Legislature through:

- Improved citizen engagement and participation in the legislative processes.
- Improved public and civic education programmes to empower the citizens of KwaZulu-Natal.

Governance and leadership

To ensure improved leadership and governance of the Legislature through:

- Improved institutional performance, efficiencies, communication and transformation.
- Improved institutional fiscal discipline and implementation of financial and supply chain prescripts.
- Improved corporate and human capital management services.
- Improved institutional internal controls and governance practices.
- Improved intergovernmental and international relations.

Core functions

In order to achieve the above strategic objectives, the Legislature is responsible for carrying out the following core functions:

- To maintain the highest standards in drafting, amending and passing legislation.
- To timeously consider, pass, amend or reject legislation referred to the Legislature by the Executive Council or the National Council of Provinces (NCOP).
- To maintain oversight over the provincial executive authority in the province, including the implementation of legislation.

Legislative mandates

The following mandates clearly define the duties and the requirements of the Legislature:

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Labour Relations Act (Act No. 66 of 1995)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Employment Equity Act (Act No. 55 of 1998)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Broad-Based Black Economic Empowerment Act (Act No. 53 of 2002)
- State Information Technology Agency Act (Act No. 38 of 2002)
- KZN Petitions Act (Act No. 3 of 2004)
- KZN Funding of Political Parties' Act (Act No. 7 of 2008)
- Financial Management of Parliament Act (Act No. 9 of 2009)
- Financial Management of Parliament Amendment Act (Act No. 34 of 2014)

It is noted that the Financial Management of Parliament Amendment Act was enacted in 2014. This is commented on in further detail in Section 2 below. In addition to the above, the Legislature's functions are governed by the Standing Rules and the Resolutions of the Legislature Executive Committee.

2. Review of the 2014/15 financial year

Section 2 provides a review of 2014/15, outlining the main achievements and progress made by the Legislature, as well as providing a brief discussion on challenges and new developments.

2014 general elections

The 2014/15 financial year saw the establishment of the Fifth Legislature, following the 2014 general elections. The new leadership undertook a strategic planning exercise which resulted in changes to public

involvement initiatives like Taking Legislature to the People (TLTP) and sector parliaments. Because of the timing of the strategic planning exercise, these changes will mainly impact on 2015/16 going forward, as explained in the outlook below. In recent years, the TLTP initiatives have been held in all district municipalities in the province. The Legislature has enough data on deficits in service delivery areas and, hence, the current term will be dedicated to giving feedback on all issues raised by the public.

Organisational structure

A review of the Legislature's organisational structure was finalised and approved by the Rules Committee in November 2012. The revised structure aims to ensure that the Legislature has sufficient capacity to implement the new financial management arrangements of provincial legislatures. This revised structure also takes into account the roll-out of all modules of the SAP system (explained below), as well as full implementation of the sector oversight model, aimed at strengthening the administrative support provided to the Members, particularly the various portfolio committees. Taking into account financial constraints, a decision was taken that only critical posts could be filled, in a phased-in process. Accordingly, the implementation of the revised structure commenced, utilising funds reprioritised in-year from areas of identified savings.

Public participation

Public participation initiatives continued in 2014/15, and the Legislature also continued with its active use of community radio slots to educate members of the public about its roles and functions. The following public participation events were held in 2014/15:

- Workers' Parliament.
- Youth Parliament.
- Women's Parliament.
- Learners' Parliament.
- Peoples' Assembly.
- Senior Citizens' Parliament.
- People with Disability Parliament.
- One TLTP event.

Revamping of the Legislature buildings

The long awaited upgrading of the toilets in the main chamber area of the Legislature building was completed in 2014/15. The Legislature advertised bids for the revamping of the audio-visual systems in the main chamber and it is anticipated that work will commence in March 2015.

Revival of the Legislature complex feasibility study

The Legislature is currently experiencing accommodation constraints in the city centre, both in terms of office space, as well as limitations in respect of the main chamber. Some of the Legislature's requests for alteration, such as changing the main chamber seating arrangements, cannot be accommodated in terms of the National Heritage Resources Act. Accordingly, in line with the revival of the feasibility study of the government office precinct project, the Legislature was allocated a once-off amount of R5 million in 2014/15 to resuscitate the Legislature complex project, and the transaction advisor commenced with updating the feasibility study. However, the government office precinct project, including the Legislature complex project, has again been put on hold, in view of the fiscal consolidation cuts implemented across all three spheres of government over the next few years.

Improved Hansard production

Although the Legislature has a fully functional Hansard and Language services unit, it requires a more efficient and effective system for recording/transcription processes of proceedings and live debates in the main chamber. Currently, the turnaround time is very slow, taking one to one-and-a-half weeks for a single debate. However, there is technology which can produce unedited versions of Hansard at the end of a meeting or sitting, and edited versions within 24 hours. Accordingly, the Legislature was allocated once-

off additional funding of R14 million in 2014/15 to improve its Hansard production and distribution. Because the required procurement processes have taken far longer than envisaged, it is anticipated that both the contractor and system equipment will be on site from March 2015, which means that the bulk of the expenditure will be incurred in 2015/16.

Financial Management Framework

After several years of uncertainty regarding the issue of separate legislation for the financial management of provincial legislatures, the Financial Management of Parliament Act was finally amended to include all nine legislatures in the country. The Financial Management of Parliament Amendment Act, which was enacted in 2014, has the following aims, among others:

- To deal with the financial management of provincial legislatures.
- To amend the provisions dealing with the oversight mechanism.
- To align the provisions dealing with reporting and auditing with the PFMA, 1999.
- To delete certain references to “provincial legislatures” in the PFMA, etc.

One of the main implications of the Act is that the financial management of the Legislative sector of South Africa is no longer regulated by the PFMA. Also, the Speaker’s Office is now the Treasury for the Legislature and, as such, there is a need for capacity within the Speaker’s Office to give support and advice to the Legislature, similar to that which is currently given by Provincial Treasury. Guidelines and processes need to be established in order to fully implement the Act and, therefore, toward the end of 2014/15, the Legislature and Provincial Treasury established a task team to review the areas that require change. This will be one of the main focus areas of the Legislature in 2015/16.

Roll-out of the SAP system

The Legislature purchased the Systems, Applications and Products in Data Processing Enterprise Resource Planning system (hereafter referred to as SAP) in March 2012, with the intention that SAP would replace PERSAL, BAS and HARDCAT. Following a year of intense training and change management, the Legislature went live on SAP in April 2013, and continued the roll-out in 2014/15. Many of the initial problems experienced with SAP were resolved during 2014/15. The one area that is receiving ongoing attention is the fact that SAP is accrual-based, whereas National Treasury’s IYM model is not. Following difficulties with the compilation of the Legislature’s 2013/14 AFS, latest indications are that the A-G’s office has suggested that the Legislature report on an accrual basis, and the practicalities are currently being investigated.

3. Outlook for the 2015/16 financial year

Section 3 looks at the key focus areas of 2015/16, outlining what the Legislature is hoping to achieve, as well as briefly looking at challenges and proposed new developments. The bulk of the Legislature’s budget relates to the areas of law-making and oversight, as well as public participation. The Legislature will aim to improve its oversight over, among others, departments and entities during the year. Also, as explained in further detail below, the Legislature will use 2015/16 to review its public involvement events in line with the need for fiscal consolidation while, at the same time, will focus on examining whether the present public participation methods used are effective, efficient and meaningful. In addition, the Legislature will focus on procedures and processes that need to be reviewed and/or changed to facilitate the roll-out of the new financial management arrangements of provincial legislatures, as outlined below.

Financial Management Framework

As mentioned, the Financial Management of Parliament Amendment Act was enacted in 2014, and the Legislature and Provincial Treasury established a task team to review the areas that require change. For instance, the Legislature’s accounting processes are now accrual-based, whereas provincial departments are still on a cash-basis. This task team will focus on addressing these issues in 2015/16, with a view to the Act being implemented as far as possible in 2016/17. It is anticipated that the full implementation of the Act will take some time, bearing in mind that the Legislature has been under the PFMA since its enactment, and therefore 2015/16 will be a transitional period.

Organisational structure

The revised organisational structure will be re-aligned with the Legislature's new 2014 to 2019 strategy. Before continuing with the implementation of the revised structure, the Legislature will undertake productivity and work system investigations to ascertain levels of personnel and other resources utilisation. This will entail the use of business process management tools to improve business efficiencies. The reprioritisation of funds to fill vacant posts will therefore be undertaken in-year, after being informed by the said processes, and taking into account the moratorium on the filling of non-critical posts.

Cost-containment plan

In December 2014, to address in-year spending pressures, the Legislature devised and implemented a cost-containment plan aimed at curbing its spending in the last few months of 2014/15 to avert year-end over-spending. It is envisaged that this plan will be fully rolled out in 2015/16, particularly in view of the fiscal consolidation cuts being implemented across all three spheres of government over the next few years. The resultant savings will be utilised to alleviate in-year spending pressures, such as rising personnel costs. The areas of cost-containment include scaling down on the purchase of furniture and equipment, curtailing travel, overtime and catering costs, reviewing public participation events (as explained below), placing a moratorium on job evaluations, freezing all non-critical posts, etc.

Public participation

As mentioned, following the 2014 general elections, and in line with the above-mentioned cost-containment plan, the new leadership took a decision to make changes to public involvement initiatives like TLTP and sector parliaments, with most of the changes impacting on 2015/16 going forward. For instance, the structure of the TLTP has been changed to take place as a report-back session on only one day, with no sitting. Sector parliaments have also been reduced in number, with the People's Assembly and Learners' Parliaments being taken out of the programme. The participants in the Learners' Parliament will be catered for in the Youth Parliament. The following public participation events are thus scheduled to be held in 2015/16:

- Workers' Parliament.
- Youth Parliament.
- Women's Parliament.
- Senior Citizens' Parliament.
- People with Disability Parliament.
- Two TLTP events.

Strengthening oversight

The Legislature will continue to strengthen oversight through giving support to committees and expanding their reach within communities. The adoption of the sector oversight model means that the Legislature must, among others, conduct independent focused intervention studies to better understand service delivery deficits, challenges, etc. This will not only improve committees' oversight, but will assist members to improve their skills' base and better understand the challenges facing communities. The support staff to committees will need to conduct community surveys in 2015/16 to determine levels of service delivery, and this will entail an increase in the number of support staff visits to all districts in the province. This will be one of the costs accommodated from the additional once-off funding allocated in 2015/16 for strengthening oversight.

Revamping of the Legislature buildings

The revamping of the audio-visual systems in the main chamber is envisaged to commence in March 2015, and work will continue in 2015/16. The Law Society building, owned by the Legislature, was damaged by fire in 2014/15. This building needs to be repaired, and the network cables and office furniture must be replaced. The Department of Public Works (DOPW) is currently undertaking an assessment in this regard.

In line with its aim to intensify its oversight role, the Legislature intends to cut down on some of its activities in order to give more days to committee meetings. Accordingly, it is intended to hold parallel budget hearings going forward to cut down the usual number of nine days to only five days. These parallel hearings will be held in the main chamber and the majority party caucus room. In order to achieve this, the caucus room, which has a small gallery, needs to be re-configured to hold the maximum number of visitors and departmental officials. There will also be planned improvements to the video conferencing room, to enable independent link-up with other legislatures or any other institution that has the facility. In this way, the video conference facility can be used by committees (and provincial departments' HODs) to share experiences without leaving the province, thereby saving costs. This project will be funded from the additional once-off allocation in 2015/16 for IT infrastructure, and will continue into 2016/17.

4. Receipts and financing

4.1 Summary of receipts and departmental receipts collection

Table 2.1 below shows the sources of funding and own receipts of Vote 2 over the seven-year period 2011/12 to 2017/18. The table also compares actual and budgeted receipts against actual and budgeted payments. Details of departmental receipts are presented in *Annexure – Vote 2: Provincial Legislature*.

Table 2.1 : Summary of receipts and financing

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Treasury funding | | | | | | | | | |
| Equitable share | 374 732 | 401 748 | 416 457 | 436 628 | 436 628 | 436 628 | 455 259 | 479 578 | 503 557 |
| Conditional grants | - | - | - | - | - | - | - | - | - |
| Total receipts: Treasury funding | 374 732 | 401 748 | 416 457 | 436 628 | 436 628 | 436 628 | 455 259 | 479 578 | 503 557 |
| Departmental receipts | | | | | | | | | |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 77 | 73 | 107 | 49 | 49 | 81 | 51 | 54 | 57 |
| Transfers received | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | 920 | 449 | 802 | 413 | 413 | 1 111 | 432 | 455 | 478 |
| Sale of capital assets | 437 | 564 | - | - | - | 485 | - | - | - |
| Transactions in financial assets and liabilities | 120 | 1 245 | 3 015 | 241 | 241 | 846 | 252 | 265 | 278 |
| Total departmental receipts | 1 554 | 2 331 | 3 924 | 703 | 703 | 2 523 | 735 | 774 | 813 |
| Total receipts | 376 286 | 404 079 | 420 381 | 437 331 | 437 331 | 439 151 | 455 994 | 480 352 | 504 370 |
| Total payments | 380 588 | 431 718 | 460 929 | 491 186 | 483 590 | 483 590 | 465 494 | 480 352 | 504 370 |
| Surplus/(Deficit) before financing | (4 302) | (27 639) | (40 548) | (53 855) | (46 259) | (44 439) | (9 500) | - | - |
| Financing | | | | | | | | | |
| of which | | | | | | | | | |
| Surplus own revenue surrendered | (953) | (1 702) | (3 261) | - | - | - | - | - | - |
| Surplus own revenue from prior year | 3 509 | 953 | 1 702 | - | 263 | 263 | - | - | - |
| Provincial cash resources | 22 531 | 27 712 | 35 998 | 53 855 | 45 996 | 45 996 | 9 500 | - | - |
| Surplus/(Deficit) after financing | 20 785 | (676) | (6 109) | - | - | 1 820 | - | - | - |

Summary of departmental receipts

The Legislature collects revenue in the form of interest earned on positive cash balances in the bank against *Interest, dividends and rent on land*, commission on insurance, waste paper in respect of *Sale of goods and services other than capital assets*, as well as recoveries of debts and other miscellaneous items reflected against *Transactions in financial assets and liabilities*.

Section 22(1) of the PFMA provides for provincial legislatures to retain any monies received (i.e. revenue collected). Therefore, in contrast to provincial departments, the Legislature retains its own departmental receipts, and is thus funded from two sources, namely Treasury funding (equitable share) and departmental receipts. In accordance with this legislation, the Legislature is allocated any surplus revenue collected in the prior year during the next year's Adjustments Estimate. This explains the surplus own revenue surrendered and surplus own revenue from the prior year reflected in the *Financing* section in Table 2.1. It is noted that the surplus own revenue from the prior year reflected in the 2014/15 Adjusted

Appropriation column is far lower than the surplus own revenue surrendered in 2013/14. The reason for this is that the revenue collected in 2013/14 included an amount of R2.998 million, being interest relating to the Political Parties' Fund (PPF). This amount was allocated back to the Legislature in the 2013/14 Adjustments Estimate to increase the PPF allocation in 2013/14, and is therefore excluded from surplus own revenue from the prior year in the 2014/15 Adjusted Appropriation.

Sale of goods and services other than capital assets comprises revenue collected from items such as the sale of old printer cartridges and commission on pay-roll deductions such as insurance and garnishees. This revenue is difficult to predict, accounting for the fluctuations in the prior years.

The fairly high revenue in 2011/12 against *Interest, dividends and rent on land* was due to low spending by the Legislature during that period, and the fact that the Legislature retained unspent funding in its bank account relating to previous years, both of which resulted in more cash in the bank than anticipated. Similarly, the revenue reflected in 2013/14 and in the 2014/15 Revised Estimate is fairly high, largely due to the Legislature's under-spending in respect of the Members' remuneration up to and including 2013/14, which remained in its bank account. This category is difficult to predict with accuracy, accounting for the conservative amounts reflected over the 2015/16 MTEF.

Revenue collected against *Sale of capital assets* in 2011/12, 2012/13 and in the 2014/15 Revised Estimate relates to auction sales of redundant assets (mainly vehicles). Such auction sales are difficult to predict, and hence no revenue budget is provided for this category in 2014/15 and over the 2015/16 MTEF.

Revenue collected against *Transactions in financial assets and liabilities* is difficult to accurately estimate, as it relates to the collection of amounts owing from previous financial years, such as debts relating to both staff and Members, and this accounts for the fluctuating trend, and the conservative amounts reflected over the MTEF. The 2012/13 amount includes a refund of R1.180 million from the Office of the Premier in respect of shared costs for certain events held in 2011/12, including Women's Parliament, People with Disability Parliament, and the International Day of Disabled Persons. The 2013/14 collection includes prior years' interest of R2.998 million relating to the PPF, as explained above.

Summary of receipts and financing

Table 2.1 also compares total receipts and total payments. The Legislature's budget was substantially under-spent in 2011/12, although this was partly due to circumstances beyond its control. The situation was reversed in 2012/13 and in 2013/14, when the Legislature over-spent at year-end, as explained below.

In 2011/12, the Legislature received provincial cash resources of R22.531 million. This relates to the Legislature's unspent operational budget from 2010/11, which was allocated back in terms of Resolutions 7/2011 and 8/2011 of the Finance Portfolio Committee (FPC). These resolutions stated that "any savings or under-expenditure the Legislature effected in 2010/11 be used to contribute to the funding of critical services and infrastructure needs of the Legislature", including the procurement of an enterprise resource planning system (i.e. SAP) and the Legislature building revamping projects. The 2011/12 budget was substantially under-spent, by R20.785 million. Of this amount, R3.036 million related to the Members' remuneration, which was over-provided for. The operational budget was under-spent by R17.749 million, largely due to the following:

- Some outstanding travel claims were not paid before year-end, pending a full reconciliation thereof. There were also delays in the submission of claims by political parties in respect of the PPF.
- There was slow progress on the building revamping projects due to delays in approval of plans by Amafa aKwaZulu-Natali (Amafa) and delays by DOPW in appointing a service provider.
- The SAP system was ordered in 2011/12, but delivery and payment was only made in May 2012. Also, two generators were purchased and installed in the Legislature buildings in February 2012, but payment was only made in 2012/13 on receipt of the required source documentation.

In 2012/13, the Legislature received provincial cash resources of R27.712 million as follows:

- The operational budget of R17.749 million that was unspent in 2011/12 was allocated back for spending in 2012/13. This was in line with a decision taken by Provincial Treasury and the FPC, that the Legislature be allowed to retain its surplus voted funds every year from 2012/13 onward.

- R2.755 million was allocated toward the higher than anticipated 2012 wage agreement for the Legislature staff.
- A once-off R7.208 million was allocated to assist with the implementation and roll-out of SAP.

For the first time in several years, the 2012/13 year-end spending of the Legislature was largely on track, with minimal over-spending of R676 000. However, the operational budget was over-spent by R3.815 million, largely because the purchase and installation of the SAP system was higher than anticipated. This was offset by under-spending of R3.139 million against the Members' remuneration due to continued over-provision in the baseline.

In 2013/14, the Legislature received provincial cash resources of R35.998 million, as follows:

- R2.998 million, being the interest earned on the PPF since its inception in 2005, was paid into the Provincial Revenue Fund (PRF) by the Legislature. This amount was formally appropriated back in the 2013/14 Adjustments Estimate, to be used to increase the PPF allocation for 2013/14 only, as mentioned earlier.
- R33 million relates to unspent voted funds that remained in the Legislature's bank account over the years. Following a detailed reconciliation from 2003/04, an amount of R33 million was paid into the PRF, and was formally allocated to the Legislature in the 2013/14 Adjustments Estimate, in line with the above-mentioned decision that the Legislature be allowed to retain its surplus voted funds every year. These funds were used to offset in-year spending pressures, including the building revamping projects and the upgrading and filling of critical posts in terms of the sector oversight model.

The Legislature's budget was over-spent by R6.109 million at the end of 2013/14. In this regard, the operational budget was over-spent by R11.064 million, but this was offset by under-spending of R4.955 million in respect of the Members' remuneration due to the ongoing over-provision in the baseline. The over-spending in respect of the operational budget was largely due to the following:

- Costs relating to the roll-out of SAP were higher than anticipated, partly due to the support and change management services required.
- There were higher than expected costs in respect of public participation events.
- There was spending pressure from the upgrading of posts in terms of the sector oversight model, and the annual wage adjustment for Legislature staff was higher than budgeted for.

In the 2014/15 Main Appropriation, the Legislature received once-off provincial cash resources of R53.885 million as follows:

- R7 million was allocated to assist with observing and monitoring the 2014 general elections.
- R27.855 million was allocated for the special allowance to be paid to those Members whose tenure of office could be affected by these elections. This formed part of the statutory allocation.
- R5 million was allocated for the feasibility study in respect of the proposed new Legislature complex (in line with the revival of the government office precinct project at the time).
- R14 million was allocated for the improved Hansard production project.

In the 2014/15 Adjusted Appropriation, the provincial cash resources of R53.855 million were reduced by R7.859 million as follows:

- The Members' remuneration allocation was reduced by R19.227 million, being savings relating to the once-off funding for exit packages for Members after the 2014 general elections. Of this, R8.753 million was allocated back to offset in-year spending pressures in the operational budget, and this is therefore not evident in Table 2.1. This balance of R10.474 million was reallocated as follows:
 - R974 000 was suspended from Vote 2 to Vote 6: Provincial Treasury for the payment of the former MEC for Finance's exit package after the 2014 general elections.
 - R9.500 million was suspended from 2014/15 and was reallocated to Vote 2 in 2015/16 for strengthening oversight and IT infrastructure, being additional funding requests submitted by the Legislature during the 2015/16 MTEC process, as explained in the outlook above.

- There was a reduction of R2.340 million relating to previous years' irregular expenditure. Cabinet approved that, where departments were unable to provide sufficient justification for the irregular expenditure, it had to become a first charge against the vote.
- These reductions were offset by an amount of R4.955 million, being unspent statutory funds relating to prior years that remained in the Legislature's bank account. These were allocated to offset spending pressures in the Legislature's operational budget, as follows:
 - R2.998 million was allocated to increase the PPF allocation. As mentioned, this amount relates to prior year interest on the PPF, which was allocated back to the Legislature in the 2013/14 Adjustments Estimate to increase the PPF allocation in 2013/14. This amount was inadvertently not transferred to the PPF in that year, though. As these funds were specifically and exclusively appropriated for this purpose, this adjustment was undertaken to correct this oversight.
 - R1.957 million was allocated to offset in-year spending pressures, including outstanding 2013/14 commitments.

The above-mentioned once-off allocations account for the peak in 2014/15 when compared to 2015/16 and 2016/17. Taking into account these once-off allocations, as well as the fact that the Legislature implemented a cost-containment plan in December 2014 in an attempt to address in-year spending pressures, as mentioned previously, the Legislature is anticipating to end 2014/15 with a balanced budget. The surplus of R1.820 million in the Revised Estimate relates to the fact that the Legislature is anticipating to over-collect revenue by this amount in 2014/15, as explained above.

The Legislature's budget shows a steady increase over the 2015/16 MTEF. The provincial cash resources of R9.500 million in 2015/16 relate to funds suspended from 2014/15, which have been reallocated to the Legislature in 2015/16 for strengthening oversight and IT infrastructure, as mentioned above.

4.2 Donor funding

The Legislature receives no direct funding in respect of the Legislature Support programme, which is funded by the European Union (EU), with the aim of contributing to the strengthening of democracy and good governance. Instead, the programme funds projects which support the entire Legislative sector, mainly aimed at achieving constitutional imperatives. The specific purpose is to support South African Legislatures to fulfil their constitutional mandates in a citizen-oriented manner. The allocation of any EU funding and the payment and monitoring thereof is undertaken centrally at a national level on behalf of the nine provinces.

5. Payment summary

This section summarises the expenditure and budgeted estimates for the vote in terms of programmes and economic classification. Details of the economic classification per programme are given in *Annexure – Vote 2: Provincial Legislature*.

5.1 Key assumptions

The Legislature applied the following broad assumptions when compiling the budget:

- National Treasury imposed fiscal consolidation cuts on the equitable share and conditional grant allocations of provinces for 2015/16 and 2016/17. In KZN, the bulk of the equitable share cut is absorbed by reducing the Contingency Reserve, stopping of the Strategic Cabinet Initiatives Fund, etc. As part of the fiscal consolidation, National Treasury has not provided any funding for the carry-through costs of the 2014 wage agreement, and the Legislature therefore had to fund these by internal reprioritisation and lowering growth of non-essential item budgets.
- All inflation related increases are based on CPI projections.
- Provision was made for the carry-through costs of the 2014 wage agreement (which, in the case of the Legislature, was higher than provincial departments) and an inflationary wage adjustment of 5.6, 5.5 and 5 per cent for each of the three years of the 2015/16 MTEF, respectively.

- Although the Legislature is not bound by Cabinet decisions, it has indicated that, over the 2015/16 MTEF, it will try and adhere to, as far as possible, the expanded cost-cutting measures, as reissued by Provincial Treasury in 2014/15, in conjunction with National Treasury Instruction 01 of 2013/14: Cost-containment measures. The provincial cost-cutting measures have been updated to include those that were adopted by the Committee of Heads of Departments (COHODs) in December 2014.
- No provision was made for the filling of vacant posts in terms of the revised organisational structure. As mentioned, the Legislature will first undertake productivity and work system investigations before continuing to fill posts. The required budget adjustments will be made in-year to fund the filling of critical posts, as well as associated costs, in line with the Legislature's cost-containment plan.
- Provision was made for ongoing training and change management relating to the roll-out of SAP. SAP training will have to be provided to any new staff members on an ongoing basis.
- With regard to public participation, two TLTP sittings were catered for, as well as six sectoral parliaments and one symposium. The cost of each of these events will vary slightly, depending on location and the population of the area.

5.2 Additional allocations for the 2013/14 to 2015/16 MTEF

Table 2.2 shows additional funding received by the Legislature over the three MTEF periods: 2013/14, 2014/15 and 2015/16. The purpose of such a table is two-fold. Firstly, it shows the quantum of additional funding allocated to the Legislature in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated. The carry-through allocations for the 2013/14 and 2014/15 MTEF periods (i.e. for the financial year 2017/18) are based on the incremental percentage used in the 2015/16 MTEF.

Table 2.2 : Summary of additional provincial allocations for the 2013/14 to 2015/16 MTEF

| R thousand | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|--|----------------|---------------|-----------------|-----------------|-----------------|
| 2013/14 MTEF period | (5 751) | 22 996 | (14 711) | (15 388) | (16 157) |
| Census data update and 1%, 2% and 3% baseline cuts | (5 751) | (11 859) | (14 711) | (15 388) | (16 157) |
| Observing and monitoring the 2014 elections | - | 7 000 | - | - | - |
| Exit packages for MPLs | - | 27 855 | - | - | - |
| 2014/15 MTEF period | | 19 963 | 1 860 | 2 149 | 2 256 |
| Legislature complex - feasibility study | | 5 000 | - | - | - |
| Improved Hansard production | | 14 000 | - | - | - |
| Carry-through of previous wage agreements | | 963 | 1 860 | 2 149 | 2 256 |
| 2015/16 MTEF period | | | 9 500 | - | - |
| Unspent statutory funding suspended from 2014/15 for strengthening oversight and IT infrastructure | | | 9 500 | - | - |
| | (5 751) | 42 959 | (12 851) | (13 239) | (13 901) |

In the 2013/14 MTEF, a once-off amount of R34.855 million was allocated in 2014/15, comprising R7 million toward observing and monitoring the 2014 general elections, and R27.855 million to provide for the special allowance to Members whose tenure of office might be affected by these elections. Also in the 2013/14 MTEF, National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced equitable share allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the Legislature was a substantial reduction over the entire period.

In the 2014/15 MTEF, additional funding was allocated for the carry-through costs of the 2013 wage agreement for Legislature staff. Also, a once-off amount of R19 million was allocated in 2014/15, comprising R5 million for the revived feasibility study in respect of the proposed new Legislature complex and R14 million for improved Hansard production project.

In the 2015/16 MTEF, a once-off amount of R9.500 million was allocated in 2015/16. Savings were incurred in 2014/15 relating to the once-off allocation for exit packages for Members after the 2014 general elections. These savings were suspended to 2015/16 and reallocated for strengthening oversight and IT infrastructure, as mentioned previously.

5.3 Summary by programme and economic classification

Tables 2.3 and 2.4 below provide a summary of the vote's expenditure and budgeted estimates over the seven-year period, by programme and economic classification, respectively.

Table 2.3 : Summary of payments and estimates by programme: Provincial Legislature

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 123 066 | 148 503 | 168 686 | 152 395 | 155 570 | 165 526 | 142 716 | 141 083 | 148 563 |
| 2. Parliamentary Business | 191 921 | 216 055 | 221 148 | 230 323 | 241 779 | 231 823 | 240 457 | 253 479 | 266 577 |
| Direct charge on the Provincial Revenue Fund | 65 601 | 67 160 | 71 095 | 108 468 | 86 241 | 86 241 | 82 321 | 85 790 | 89 230 |
| Members' remuneration | 65 601 | 67 160 | 71 095 | 108 468 | 86 241 | 86 241 | 82 321 | 85 790 | 89 230 |
| Total | 380 588 | 431 718 | 460 929 | 491 186 | 483 590 | 483 590 | 465 494 | 480 352 | 504 370 |
| of which: | | | | | | | | | |
| Departmental receipts | 1 554 | 2 331 | 3 924 | 703 | 703 | 2 523 | 735 | 774 | 813 |

Table 2.4 : Summary of payments and estimates by economic classification: Provincial Legislature

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 227 427 | 262 322 | 290 402 | 280 672 | 292 305 | 293 554 | 286 324 | 294 687 | 310 272 |
| Compensation of employees | 95 707 | 130 132 | 153 015 | 144 280 | 152 625 | 156 625 | 153 269 | 162 826 | 171 816 |
| Goods and services | 131 720 | 132 083 | 137 387 | 136 392 | 139 680 | 136 929 | 133 055 | 131 861 | 138 456 |
| Interest and rent on land | - | 107 | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 73 872 | 78 199 | 82 436 | 83 464 | 86 462 | 86 364 | 87 372 | 92 528 | 97 154 |
| Provinces and municipalities | 40 | 10 | 16 | 34 | 34 | 34 | 36 | 38 | 40 |
| Departmental agencies and accounts | - | 276 | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | 173 | 233 | 221 | 198 | 198 | 189 | 207 | 217 | 228 |
| Public corporations and private enterprises | - | - | - | 25 | 25 | 19 | 26 | 27 | 28 |
| Non-profit institutions | 73 028 | 77 456 | 82 199 | 82 920 | 85 918 | 85 918 | 86 780 | 91 379 | 95 948 |
| Households | 631 | 224 | - | 287 | 287 | 204 | 323 | 867 | 910 |
| Payments for capital assets | 13 688 | 24 037 | 16 996 | 18 582 | 18 582 | 17 431 | 9 477 | 7 347 | 7 714 |
| Buildings and other fixed structures | 138 | 2 853 | 4 181 | 813 | 813 | 1 680 | 850 | 895 | 940 |
| Machinery and equipment | 5 150 | 15 352 | 6 332 | 15 391 | 15 391 | 13 373 | 7 139 | 4 885 | 5 129 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 8 400 | 5 832 | 6 483 | 2 378 | 2 378 | 2 378 | 1 488 | 1 567 | 1 645 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 314 987 | 364 558 | 389 834 | 382 718 | 397 349 | 397 349 | 383 173 | 394 562 | 415 140 |
| of which: | | | | | | | | | |
| Departmental receipts | 1 554 | 2 331 | 3 924 | 703 | 703 | 2 523 | 735 | 774 | 813 |
| Adjusted total | 314 987 | 364 558 | 389 834 | 382 718 | 397 349 | 397 349 | 383 173 | 394 562 | 415 140 |
| Members' remuneration | 65 601 | 67 160 | 71 095 | 108 468 | 86 241 | 86 241 | 82 321 | 85 790 | 89 230 |
| Adjusted total (incl. Members' remuneration) | 380 588 | 431 718 | 460 929 | 491 186 | 483 590 | 483 590 | 465 494 | 480 352 | 504 370 |

The Members' remuneration forms a direct charge on the PRF, and so is not included as a programme, but is reflected as *Direct charge on the Provincial Revenue Fund*. The following comments are made with regard to the Members' remuneration allocation:

- The 2011/12 amount includes a once-off R2.037 million for the payment of Members' exit packages.
- The 2014/15 Main Appropriation is high because it includes the above-mentioned amount of R27.855 million for the special allowance to Members following the 2014 general elections.
- The 2014/15 Adjusted Appropriation shows a reduction of R22.227 million, as follows:
 - Only R8.628 million was paid out in respect of the special allowance to Members following the 2014 general elections. The unspent balance of R19.227 million was reallocated as follows:
 - R974 000 was suspended from Vote 2 to Vote 6 for the payment of the former MEC for Finance's exit package after the 2014 general elections.
 - R9.500 million was suspended from 2014/15 and was reallocated back to Vote 2 in 2015/16 for strengthening oversight and IT infrastructure.

- R8.753 million was redirected to the 2014/15 operational budget to offset in-year pressures.
 - o There was a reduction of R3 million, relating to an over-provision in the Members' remuneration baseline, continued from previous years. This amount was redirected toward offsetting in-year pressures in the Legislature's operational budget relating to the revised organisational structure.
- This reduction in the Members' remuneration baseline, relating to an over-provision, was continued over the 2015/16 MTEF, with amounts of R2 million, R3 million and R4 million in each year of the MTEF being redirected to the Legislature's operational budget. This reduction will be reviewed and adjusted in-year in the Adjustments Estimate, if necessary.
- The drop in the Members' remuneration from the 2014/15 Adjusted Appropriation to the 2015/16 allocation relates to the fact that the 2014/15 amount includes the above-mentioned pay-out of R8.628 million in respect of the special allowance to Members following the 2014 general elections.

The Legislature's operational budget (i.e. the two programmes excluding the Members' remuneration), reflects several marked fluctuations over the seven years, mainly relating to additional, largely once-off allocations, which have already been explained. In addition, the fluctuations across programmes and economic classifications in the 2014/15 Revised Estimate pertain to the in-year spending pressures that were addressed by the previously mentioned cost-containment plan. The following paragraphs summarise the trends at programme and economic level, while further detail is given in Section 6.

Programme 1: Administration shows a fluctuating trend, largely because the budget for various once-off projects, such as building renovations and other major procurement costs, is centralised under this programme. For instance, the peak in 2013/14 can be ascribed to the continued roll-out of SAP and several building revamping projects, such as the Tatham Art Gallery parking and renovations to the Speaker's cottage. This accounts for the reduction from 2013/14 to 2014/15. There was also higher than budgeted for spending in 2013/14 resulting from the upgrading of staff in terms of the implementation of the Job Evaluation (JE) review results. The 2014/15 Main Appropriation makes provision for the continued roll-out of SAP, the purchase of tools of trade (such as lap-tops) for all new Members following the 2014 general elections, the purchase of motor vehicles for the Speaker's Office, the revived Legislature complex feasibility study, as well as procurement costs in respect of the improved Hansard production project. These largely once-off amounts explain the reduction from 2014/15 to 2015/16. The slight increase in the 2014/15 Adjusted Appropriation is due to savings reallocated from the statutory allowance relating to Members' exit packages after the 2014 general elections, to offset spending pressures in the operational budget. The 2014/15 Revised Estimate is far higher than the Adjusted Appropriation due to in-year spending pressures, largely relating to the revised organisational structure, higher than budgeted wage adjustment, as well as the payment of prior year commitments in respect of SAP and the building revamping projects. In line with the Legislature's cost-containment plan, equivalent savings were identified under Programme 2 to offset this projected over-expenditure (as explained below), and post-Adjustments virements will be undertaken to address these variances. The 2015/16 allocation includes a portion of the once-off funding allocated for strengthening oversight and IT infrastructure, accounting for the slight decrease from 2015/16 to 2016/17, whereafter the growth is inflation related.

Apart from some fluctuations in 2014/15, Programme 2: Parliamentary Business shows reasonable growth over the seven years. This programme includes substantial provision for public participation initiatives, overseas study tours undertaken by portfolio committees, as well as support for political parties in the form of constituency and secretarial allowances, and the PPF (which is capped at R30 million). It is noted that prior years' interest of R2.998 million relating to the PPF was formally allocated back to the Legislature as a once-off amount in the 2013/14 Adjustments Estimate, specifically to increase the 2013/14 PPF allocation (as mentioned in section 4.1 above). This amount was inadvertently not transferred, though, and so provision was made for this transfer in the 2014/15 Adjusted Appropriation. The 2014/15 Main Appropriation includes the once-off amount for observing and monitoring the general elections, as well as the balance of the improved Hansard production funding. The 2014/15 Adjusted Appropriation includes funds reallocated from the statutory special allowance to Members following the 2014 general elections, to offset in-year spending pressures. The 2014/15 Revised Estimate is lower than the Adjusted Appropriation in line with the cost-containment plan, whereby enforced savings were

identified in Programme 2 to offset Programme 1's projected over-expenditure. These enforced savings include scaling down in respect of public involvement initiatives and associated travel costs, as well as limiting expenditure on non-essential *Goods and services* items, such as catering costs. The 2015/16 amount includes the balance of the once-off funding for strengthening oversight. The programme shows steady growth over the MTEF.

Compensation of employees in Table 2.4 relates to the Legislature staff only, and excludes the Members' remuneration, which has already been explained above. *Compensation of employees* fluctuates from 2013/14 to 2015/16. The fluctuations can be attributed to the implementation of the JE review results (with substantial back-pay in most instances), the implementation of the sector oversight model, the roll-out of the revised organisational structure, as well as the annual sale of leave (leave encashment). For instance, the 2013/14 amount includes significant back-pay relating to the upgrading of posts, accounting for the reduction from 2013/14 to the 2014/15 Main Appropriation. The increase in the 2014/15 Adjusted Appropriation, and further increase in the Revised Estimate, relates to the revised organisational structure, as well as annual leave encashment. The increase in the 2014/15 Revised Estimate was funded from enforced savings, largely on non-essential *Goods and services* items, in line with the Legislature's cost-containment plan. It is noted that the 2015/16 allocation is lower than the 2014/15 Revised Estimate. This is because the MTEF allocations exclude provision for the filling of posts. As mentioned previously, only critical posts will be filled over the MTEF, once the productivity and work system investigations have been undertaken, and the required budget adjustments will be made in-year to fund these critical posts. The MTEF allocations also do not make provision for several contract workers employed to assist with the roll-out of SAP, as it is envisaged that their expertise will no longer be required.

The fluctuations in *Goods and services* can largely be ascribed to the roll-out of SAP, the building revamping projects, as well as other once-off projects, such as the improved Hansard production project and the Legislature complex feasibility study, which are largely catered for under this category. The high spending in 2013/14 can be attributed to outstanding 2012/13 commitments relating to public participation events, the building revamping projects, as well as costs relating to the SAP implementing agent. These costs resulted in the vote being over-spent in 2013/14, accounting for the reduction from 2013/14 to the 2014/15 Main Appropriation. The 2014/15 Main Appropriation includes the once-off funding for observing and monitoring the 2014 general elections, the Legislature complex feasibility study, as well as a portion of the funding allocated for improved Hansard production. These largely once-off allocations account for the reduction from 2014/15 to 2015/16. The slight increase in the 2014/15 Adjusted Appropriation is due to savings reallocated from the statutory allowance relating to Members' exit packages after the 2014 general elections, to offset spending pressures in the operational budget. The 2014/15 Revised Estimate is lower than the Adjusted Appropriation in line with the Legislature's cost-containment plan, which largely affects non-essential *Goods and services* items. The 2015/16 amount includes the once-off additional funding allocated for strengthening oversight, accounting for the reduction from 2015/16 to 2016/17.

The category *Transfers and subsidies* increases steadily over the seven-year period, as follows:

- *Provinces and municipalities* caters for the payment of motor vehicle licences. The fluctuations in prior years relates to the erratic submission of invoices by the Department of Transport.
- The 2012/13 amount reflected against *Departmental agencies and accounts* relates to a transfer to SARS in respect of overdue PAYE dating back to prior years. When the Legislature moved from the VIP system to PERSAL in 2003, the balance in the old SARS account was inadvertently not cleared.
- *Foreign governments and international organisations* caters mainly for subscription fees in respect of the Commonwealth Parliamentary Association (CPA). The high spending in 2012/13 and 2013/14 comprises higher than budgeted travel and subsistence costs relating to CPA conferences. The MTEF amounts are based on the actual fees paid in 2014/15.
- *Public corporations and private enterprises* caters for insurance claims for motor vehicle accidents relating to the Legislature's official vehicles. No accident claims were received in prior years.

- *Non-profit institutions*, which comprises the secretarial and constituency allowances, as well as the PPF, shows a steady increase over the seven years, despite the PPF being capped at R30 million, as agreed to by Cabinet. The 2014/15 Adjusted Appropriation includes the once-off R2.998 million relating to prior year interest earned on the PPF, as explained previously. The inflationary growth over the MTEF relates to the secretarial and constituency allowances.
- *Households* caters for donations made as part of the Speaker's Social Responsibility programme, as well as staff exit costs, both of which are difficult to predict.

Buildings and other fixed structures, which relates to the Legislature building revamping projects, fluctuates depending on the nature of the work required – i.e. whether the work is classified as current maintenance and repairs, rather than capital renovations. The 2012/13 and 2013/14 amounts are largely made up of the costs of the Tatham Art Gallery parking for Members. The high 2014/15 Revised Estimate includes the payment of outstanding invoices relating to prior year projects. Although the building revamping projects are continuing over the MTEF (such as the revamping of the audio-visual systems in the main chamber), the extent and nature of the work to be done is still under review. As such, the bulk of the funding is reflected as current infrastructure under *Goods and services*.

Machinery and equipment shows a fluctuating trend in the prior years due to several once-off purchases made under this category. The 2012/13 high spending can be ascribed to the purchase and installation of SAP, as well as the payment for generators that were procured in 2011/12 but not paid for by year-end. The high 2014/15 allocation includes provision for outstanding SAP commitments, the purchase of tools of trade for all new Members following the 2014 general elections, as well as portion of the improved Hansard production project funding. These various once-off amounts account for the fluctuations from 2011/12 to 2014/15, and the negative growth from 2014/15 to 2017/18. The 2015/16 allocation remains fairly high as it includes the additional funding for IT infrastructure, accounting for the decrease from 2015/16 to 2016/17, whereafter the growth is lower. The MTEF allocations provide for the purchase of furniture, vehicles and computers for staff and Members.

Software and other intangible assets fluctuates in the prior years, largely due to the roll-out of the various SAP modules, which went live in 2013/14 (hence the high spending in prior years). There is a decreasing trend from 2013/14 to 2015/16, as the SAP roll-out will be in its final stages.

5.4 Summary of conditional grant payments and estimates – Nil

5.5 Summary of infrastructure payments and estimates

Table 2.5 below provides a summary of infrastructure payments and estimates, reflecting the cost of renovations and repairs to the Legislature buildings over the seven-year period, based on input received from DOPW. Further infrastructure details are given in *Annexure – Vote 2: Provincial Legislature*.

Table 2.5 : Summary of infrastructure payments and estimates by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|---------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Existing infrastructure assets | 1 514 | 4 796 | 11 338 | 4 685 | 4 685 | 5 552 | 4 900 | 4 990 | 5 110 |
| Maintenance and repair: Current | 1 376 | 1 943 | 7 157 | 3 872 | 3 872 | 3 872 | 4 050 | 4 095 | 4 170 |
| Upgrades and additions: Capital | 138 | 2 853 | 4 181 | 813 | 813 | 1 680 | 850 | 895 | 940 |
| Refurbishment and rehabilitation: Capital | - | - | - | - | - | - | - | - | - |
| New infrastructure assets: Capital | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Current | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Capital | - | - | - | - | - | - | - | - | - |
| Infrastructure: Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure: Leases | - | - | - | - | - | - | - | - | - |
| Total | 1 514 | 4 796 | 11 338 | 4 685 | 4 685 | 5 552 | 4 900 | 4 990 | 5 110 |
| <i>Capital infrastructure</i> | <i>138</i> | <i>2 853</i> | <i>4 181</i> | <i>813</i> | <i>813</i> | <i>1 680</i> | <i>850</i> | <i>895</i> | <i>940</i> |
| <i>Current infrastructure</i> | <i>1 376</i> | <i>1 943</i> | <i>7 157</i> | <i>3 872</i> | <i>3 872</i> | <i>3 872</i> | <i>4 050</i> | <i>4 095</i> | <i>4 170</i> |

Infrastructure spending fluctuates markedly over the seven years, as it is dependent on the nature of the work required to be done to the Legislature buildings. As mentioned, the MTEF infrastructure allocations are preliminary at this stage. *Maintenance and repair: Current* spending in the prior years relates mainly to routine office repairs, including projects such as partitioning in the Administration building to accommodate new staff, etc. From 2013/14 onward, the building revamping projects are included under both *Upgrades and additions: Capital* and *Maintenance and repair: Current*.

Maintenance and repair: Current in 2013/14 includes repairs undertaken to the Speaker's cottage and offices of the Deputy Speaker, as well as the revamping of the toilets in the main chamber area. The MTEF allocations provide for, among others, lift maintenance, day-to-day maintenance, as well as the painting of the Legislature buildings.

There was minimal *Upgrades and additions: Capital* spending in 2011/12, pending the outcome of the Legislature's infrastructure needs assessment report compiled by DOPW. The 2012/13 spending includes costs relating to the Tatham Art Gallery parking for Members. This project was completed by the end of December 2012, but the Legislature is dependent on DOPW for the submission of invoices and supporting documentation. The total cost of the parking project was approximately R6 million, and the bulk was paid in 2013/14, with a small balance in 2014/15 (accounting for the high 2014/15 Revised Estimate). The MTEF allocations provide for, among others, the revamping of the audio-sound systems in the main chamber, as well as the upgrading of the fire alarm system in the Legislature building. It is noted that the once-off additional funding of R2.500 million allocated in 2015/16 for IT infrastructure improvements relating to the video conferencing room is excluded from this table.

5.6 Summary of Public Private Partnerships – Nil

5.7 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

5.8 Transfers to other entities – Nil

5.9 Transfers to local government – Nil

The Legislature makes no transfer payments to local government. Although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and hence the table reflecting transfers to local government is excluded.

5.10 Transfers and subsidies

Table 2.6 reflects spending on *Transfers and subsidies* by programme and main category. The category as a whole shows a steady increase from 2011/12 to 2017/18, details of which are provided above and below the table.

The category *Transfers and subsidies* under Programme 1 includes the following:

- *Provinces and municipalities* caters for the payment of motor vehicle licences, as mentioned above.
- The 2012/13 amount against *Departmental agencies and accounts* relates to a transfer to SARS for overdue PAYE dating back to prior years, as explained previously.
- *Foreign governments and international organisations* caters mainly for CPA subscription fees. The fairly high 2012/13 and 2013/14 amounts cater for higher than budgeted travel and subsistence costs relating to CPA conferences. The MTEF amounts are based on the actual fees paid.
- The amounts against *Public corporations and private enterprises* cater for insurance claims for motor vehicle accidents relating to the Legislature's official vehicles.
- *Households* caters for donations made as part of the Speaker's Social Responsibility programme, as well as staff exits, both of which are difficult to predict, accounting for the fluctuations.

Table 2.6 : Summary of transfers and subsidies by programme and main category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 793 | 743 | 237 | 544 | 544 | 446 | 592 | 1 149 | 1 206 |
| Provinces and municipalities | 40 | 10 | 16 | 34 | 34 | 34 | 36 | 38 | 40 |
| Motor vehicle licences | 40 | 10 | 16 | 34 | 34 | 34 | 36 | 38 | 40 |
| Departmental agencies and accounts | - | 276 | - | - | - | - | - | - | - |
| Transfer to SARS | - | 276 | - | - | - | - | - | - | - |
| Foreign government and international organisations | 173 | 233 | 221 | 198 | 198 | 189 | 207 | 217 | 228 |
| Commonwealth Parliamentary Association | 173 | 233 | 221 | 198 | 198 | 189 | 207 | 217 | 228 |
| Public corporations and private enterprises | - | - | - | 25 | 25 | 19 | 26 | 27 | 28 |
| Insurance companies | - | - | - | 25 | 25 | 19 | 26 | 27 | 28 |
| Households | 580 | 224 | - | 287 | 287 | 204 | 323 | 867 | 910 |
| Social benefits | - | 63 | - | - | - | - | - | - | - |
| Other transfers to households | 580 | 161 | - | 287 | 287 | 204 | 323 | 867 | 910 |
| 2. Parliamentary Business | 73 079 | 77 456 | 82 199 | 82 920 | 85 918 | 85 918 | 86 780 | 91 379 | 95 948 |
| Non-profit institutions | 73 028 | 77 456 | 82 199 | 82 920 | 85 918 | 85 918 | 86 780 | 91 379 | 95 948 |
| Funding for political parties (e.g. Const. allow.) | 43 028 | 47 456 | 52 199 | 52 920 | 52 920 | 52 920 | 56 780 | 61 379 | 65 948 |
| Political Parties' Fund | 30 000 | 30 000 | 30 000 | 30 000 | 32 998 | 32 998 | 30 000 | 30 000 | 30 000 |
| Households | 51 | - | - | - | - | - | - | - | - |
| Other transfers to households | 51 | - | - | - | - | - | - | - | - |
| Total | 73 872 | 78 199 | 82 436 | 83 464 | 86 462 | 86 364 | 87 372 | 92 528 | 97 154 |

The category *Transfers and subsidies* under Programme 2 includes the following:

- *Non-profit institutions*, which comprises the secretarial and constituency allowances, as well as the PPF, shows a steady increase over the seven-year period, despite the capping of the PPF at R30 million. The 2014/15 Adjusted Appropriation includes the once-off R2.998 million relating to prior year interest earned on the PPF, as explained previously. The secretarial and constituency allowances show inflationary growth over the MTEF.
- *Households* caters for staff exit costs, which are difficult to predict.

6. Programme description

The uniform budget and programme structure for all Provincial Legislatures consists of two programmes, namely Programme 1: Administration and Programme 2: Parliamentary Business. The payments and budgeted estimates for these two programmes are summarised in terms of economic classification below, details of which are given in *Annexure – Vote 2: Provincial Legislature*.

6.1 Programme 1: Administration

Programme 1 consists of four sub-programmes, as follows:

- Office of the Speaker provides political and administrative leadership to the Legislature, and ensures the provision of protocol services to Members. This sub-programme caters for the running costs of the Office of the Speaker, as well as the Speaker's Responsibility programme.
- Office of the Secretary co-ordinates planning, performance monitoring, evaluation and reporting, and ensures effectiveness of internal control, risk management and governance processes.
- Financial Management aims to provide efficient and effective financial management, and includes the CFO's office, financial management services, as well as SCM services. The main purpose is to plan the departmental budget, as well as to monitor and evaluate expenditure and revenue collection. In addition, various costs relating to the vote as a whole are centralised under this sub-programme, such as cell-phone, land-line and all current maintenance costs.
- Corporate Services renders corporate services through ICT, communication, human resources management and institutional support (i.e. records management, library services, fleet services, security services, etc). Capital building renovation costs and other major procurement costs are centralised under this sub-programme, accounting for the size of the budget, as well as the fluctuations in trends.

Tables 2.7 and 2.8 below summarise payments and estimates for Programme 1 for the financial years 2011/12 to 2017/18. As mentioned, the 2014/15 Revised Estimate for this programme is far higher than the Adjusted Appropriation due to in-year spending pressures, largely relating to the revised organisational structure, outstanding commitments from the prior year and the continued roll-out of SAP. In line with the Legislature's cost-containment plan, equivalent savings have been identified under Programme 2 to offset this projected over-expenditure, and the Legislature will undertake post-Adjustments virements to ensure that the budget is in line with spending.

Table 2.7 : Summary of payments and estimates by sub-programme: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Office of the Speaker | 19 824 | 29 855 | 28 707 | 23 500 | 24 443 | 22 350 | 22 867 | 24 383 | 25 940 |
| 2. Office of the Secretary | 11 854 | 13 437 | 16 530 | 13 564 | 16 620 | 17 566 | 17 298 | 16 193 | 17 049 |
| 3. Financial Management | 44 330 | 52 260 | 54 176 | 52 650 | 51 190 | 57 574 | 50 483 | 50 771 | 53 336 |
| 4. Corporate Services | 47 058 | 52 951 | 69 273 | 62 681 | 63 317 | 68 036 | 52 068 | 49 736 | 52 238 |
| Total | 123 066 | 148 503 | 168 686 | 152 395 | 155 570 | 165 526 | 142 716 | 141 083 | 148 563 |

Table 2.8 : Summary of payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 108 585 | 123 723 | 151 453 | 133 269 | 136 444 | 147 649 | 132 647 | 132 587 | 139 643 |
| Compensation of employees | 49 105 | 64 971 | 84 589 | 69 999 | 74 386 | 78 659 | 74 669 | 79 515 | 83 916 |
| Goods and services | 59 480 | 58 645 | 66 864 | 63 270 | 62 058 | 68 990 | 57 978 | 53 072 | 55 727 |
| Interest and rent on land | - | 107 | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 793 | 743 | 237 | 544 | 544 | 446 | 592 | 1 149 | 1 206 |
| Provinces and municipalities | 40 | 10 | 16 | 34 | 34 | 34 | 36 | 38 | 40 |
| Departmental agencies and accounts | - | 276 | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | 173 | 233 | 221 | 198 | 198 | 189 | 207 | 217 | 228 |
| Public corporations and private enterprises | - | - | - | 25 | 25 | 19 | 26 | 27 | 28 |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 580 | 224 | - | 287 | 287 | 204 | 323 | 867 | 910 |
| Payments for capital assets | 13 688 | 24 037 | 16 996 | 18 582 | 18 582 | 17 431 | 9 477 | 7 347 | 7 714 |
| Buildings and other fixed structures | 138 | 2 853 | 4 181 | 813 | 813 | 1 680 | 850 | 895 | 940 |
| Machinery and equipment | 5 150 | 15 352 | 6 332 | 15 391 | 15 391 | 13 373 | 7 139 | 4 885 | 5 129 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 8 400 | 5 832 | 6 483 | 2 378 | 2 378 | 2 378 | 1 488 | 1 567 | 1 645 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 123 066 | 148 503 | 168 686 | 152 395 | 155 570 | 165 526 | 142 716 | 141 083 | 148 563 |

The substantial increase in the sub-programme: Office of the Speaker, particularly in 2012/13 and 2013/14, can largely be attributed to outstanding commitments from prior years relating to public participation events, as well as the building of capacity in anticipation of the functions that will be allocated to the Office of the Speaker (such as establishing an internal audit unit), in line with the new financial management arrangements for provincial legislatures. This included largely once-off costs such as establishing systems and skills development, accounting for the dip in the 2014/15 Main Appropriation and low growth in 2015/16. The slight increase in the 2014/15 Adjusted Appropriation includes reprioritisation of funds to this sub-programme relating to the revised organisational structure. The reduction in the Revised Estimate relates to enforced savings made in line with the cost-containment plan.

Similarly, the Office of the Secretary sub-programme increased in 2012/13 and 2013/14 to cater for outstanding commitments from prior years, resulting in the decrease in the 2014/15 Main Appropriation. The increase in the 2014/15 Adjusted Appropriation and further increase in the Revised Estimate relates to savings reprioritised to this sub-programme, largely from Programme 2, to fund in-year spending pressures. The 2015/16 amount includes a portion of the additional funding allocated for strengthening oversight, as well as provision for strengthening the Legislature's organisational performance functions, accounting for the dip in 2016/17.

As mentioned, various costs relating to the vote as a whole, including current maintenance costs, are centralised under the Financial Management sub-programme, while the Corporate Services sub-programme caters for capital and other major procurement projects. This means that some projects, such as SAP, are catered for under both sub-programmes. Many of these projects have largely once-off costs, accounting for the fluctuating trend. With regard to the Financial Management sub-programme, the slight fluctuations relate to the Legislature building revamping projects, while the peak in the 2014/15 Revised Estimate is largely due to the payment of some SAP invoices relating to prior years, as mentioned previously. The service provider had to show improvement in some areas before the Legislature would pay the invoices. The Corporate Services sub-programme fluctuates markedly due to various once-off procurement costs. For instance, the fluctuations in the prior years can largely be ascribed to the purchase and roll-out of SAP. The 2014/15 Main Appropriation is higher than 2015/16 as it includes provision for the purchase of tools of trade for all new Members and motor vehicles for the Speaker's Office, following the 2014 general elections. Also included is a portion of the once-off funding for the procurement of the new Hansard system. The 2015/16 amount includes a portion of the additional funding allocated for strengthening oversight, accounting for the dip in 2016/17. The fairly low growth over the MTEF in respect of both of these sub-programmes can be ascribed to the fact that the SAP roll-out will be in its final stages and there should be a reduced need for support by the service provider.

Compensation of employees increases substantially in the prior years, largely due to the annual wage agreements for the Legislature staff, the implementation of the JE review results (with back-pay), the revised organisational structure, as well as the annual leave encashment. The peak in 2013/14 is due to significant once-off back-pay relating to the upgrading of posts, accounting for the reduction from 2013/14 to the 2014/15 Main Appropriation. The increase in the 2014/15 Adjusted Appropriation, and further increase in the Revised Estimate, relates to the revised organisational structure, as well as back-pay relating to the upgrading of posts, as mentioned previously. This increase was funded from a portion of the funds reallocated to offset operational spending pressures from the once-off special allowance to Members following the 2014 general elections, as well as from enforced savings, largely on non-essential *Goods and services* items, in line with the cost-containment plan. As mentioned, the 2015/16 allocation is lower than the 2014/15 Revised Estimate, because the MTEF allocations exclude provision for the filling of posts, as well as contract workers employed to assist with the roll-out of SAP, as explained above.

The fluctuations in *Goods and services* can be ascribed to the fact that once-off projects, including the roll-out of SAP, some of the building revamping projects and the Legislature complex feasibility study, are largely catered for under this category. The high 2011/12 amount includes payment of outstanding travel claims and prior year commitments in respect of public participation events. The 2013/14 amount relates to outstanding 2012/13 commitments, including building revamping projects, as well as the further roll-out of SAP. The 2014/15 Main Appropriation includes the once-off R5 million for the Legislature complex feasibility study. The 2014/15 Revised Estimate is higher than the Adjusted Appropriation as a result of in-year spending pressures, partly relating to the payment of some SAP invoices relating to prior years. As mentioned, these spending pressures will be addressed in line with the Legislature's cost-containment plan, which largely affects non-essential *Goods and services* items under Programme 2. The 2015/16 amount includes a portion of the additional funding for strengthening oversight, accounting for the reduction from 2015/16 to 2016/17, whereafter the growth is largely inflation related.

The category *Transfers and subsidies* fluctuates over the seven-year period, as explained below:

- *Provinces and municipalities* reflects the payment of motor vehicle licences, as mentioned.
- The 2012/13 amount reflected against *Departmental agencies and accounts* relates to a transfer to SARS in respect of overdue PAYE dating back to prior years, as explained earlier.
- *Foreign governments and international organisations* caters mainly for subscription fees in respect of the CPA, as mentioned previously.
- *Public corporations and private enterprises* caters for insurance claims for motor vehicle accidents relating to the Legislature's official vehicles. No accident claims were received in prior years.
- *Households* caters for donations made as part of the Speaker's Social Responsibility programme, as well as staff exits, both of which are difficult to predict.

Buildings and other fixed structures, which relates to the various Legislature building revamping projects, fluctuates depending on the nature of the work required, as mentioned previously. There was minimal capital infrastructure spending in 2011/12, pending the outcome of the infrastructure needs assessment report compiled by DOPW. The 2012/13 and 2013/14 amounts comprise mainly the Tatham Art Gallery parking for Members. The high 2014/15 Revised Estimate includes carry-through costs of some prior year projects. Although various other revamping projects (such as the revamping of the audio-visual system) are planned, the MTEF allocations are still preliminary. At this stage, the bulk of the funding is reflected as current infrastructure under *Goods and services*.

Machinery and equipment shows a fluctuating trend in the prior years due to several once-off purchases. The high 2012/13 spending can be ascribed to the purchase and installation of SAP, as well as the payment for two generators that were procured in 2011/12 but not paid for by year-end. The 2013/14 amount included the purchase of pool vehicles, as well as computers and furniture (both replacement and for new staff). The high 2014/15 allocation includes provision for outstanding SAP commitments, the purchase of tools of trade for all new Members following the 2014 general elections, as well as a portion of the improved Hansard production project funding. The reduction in the 2014/15 Revised Estimate is in line with the Legislature's cost-containment plan. The above-mentioned once-off amounts account for the fluctuations from 2011/12 to 2014/15, and the negative growth from 2014/15 to 2017/18. The 2015/16 allocation includes the additional funding allocated for IT infrastructure, accounting for the decrease from 2015/16 to 2016/17, whereafter the growth is inflationary related. The MTEF allocations provide for the purchase of furniture, vehicles and computers for Members and staff.

Software and other intangible assets fluctuates in the prior years, largely due to the roll-out of the various SAP modules, which went live in 2013/14 (hence the high expenditure in the prior years). There is a decreasing trend over the MTEF, as the SAP roll-out will be in its final stages.

Service delivery measures – Programme 1: Administration

Table 2.9 illustrates the main service delivery measures pertaining to Programme 1. It is noted that the Legislature sector has not yet agreed on standardised service delivery measures. Following the previously mentioned strategic planning session, the Legislature reviewed its service delivery measures and introduced a new one with effect from 2015/16, and this is indicated by “New” in Table 2.9.

Table 2.9 : Service delivery measures – Programme 1: Administration

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|--|--|-----------------------|---|---------|---------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 1. Improved performance monitoring and reporting | • No. of performance reports against Annual Oversight Plans (AOP) and APP targets | 9 | 9 | 9 | 9 | |
| 2. Improved monitoring of institutional performance reflected in AOPs / APPs | • No. of reports on performance against AOPs and APPs | 4 | 4 | 4 | 4 | |
| 3. Improved functioning of the Legislature Executive Committee (LexCo) | • No. of reports detailing levels of implementation of LexCo decisions | 4 | 4 | 4 | 4 | |
| 4. Sustained clean audit by 2015 | • Quarterly review reports on key controls, audits and risk issues | 4 | 4 | 4 | 4 | |
| 5. Improved risk management function and compliance | • No. of reports on all risk management matters including findings, risk positions and recommendations to relevant stakeholders | 4 | 4 | 4 | 4 | |
| 6. Implemented transformation legislation and conventions | • No. of progress reports on the implementation of employment equity, Convention on Elimination of all forms of Discrimination Against Women (CEDAW), United Nations Convention on the Rights of Persons with Disabilities (UNCRPD) and Promotion of Equality and Prevention of Unfair Discrimination Act (PEPUDA) | 1 | 4 | 4 | 4 | |
| 7. Improved management of the Legislature's image, branding and communications | • Approved and implemented annual publicity plan | New | Approved plan by June 2015, 3 quarterly reports | 4 | 3 | |
| 8. Improved efficiencies using SAP | • No. of reports on system efficiencies | 4 | 4 | 4 | 4 | |
| 9. Improved human resources management and development | • No. of reports on implementation of performance management and development system | 4 | 4 | 4 | 4 | |

6.2 Programme 2: Parliamentary Business

This programme consists of six sub-programmes, conforming to the customised budget structure for the sector. The main objectives and services of these sub-programmes are as follows:

- **Law-making:** To pass effective and relevant laws in the province. This sub-programme also incorporates the functions of House Proceedings and Hansard.
- **NCOP:** To facilitate NCOP liaison services.
- **Oversight:** To execute and conduct effective oversight of the Executive Committees, and to provide research and legal services.
- **Public Participation:** To address complaints through the petitions' system, and to create awareness of legislative processes through public education and the promotion of public involvement. This sub-programme combines both staff and sectoral public participation costs.
- **Members' Facilities:** To provide benefits and facilities in respect of Members and to offer support to political parties. This sub-programme makes provision for the constituency and secretarial allowances, as well as the PPF.
- **Co-operative Governance:** To strengthen inter-parliamentary relations.

Tables 2.10 and 2.11 below summarise payments and estimates for Programme 2 for the financial years 2011/12 to 2017/18.

Table 2.10 : Summary of payments and estimates by sub-programme: Parliamentary Business

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Law-making | 24 494 | 25 881 | 37 956 | 28 207 | 38 388 | 41 444 | 35 609 | 40 341 | 42 848 |
| 2. NCOP | 1 001 | 1 058 | 275 | 1 700 | 1 700 | 1 700 | 1 962 | 2 066 | 2 170 |
| 3. Oversight | 27 200 | 46 518 | 61 383 | 66 768 | 70 724 | 64 031 | 66 757 | 62 920 | 67 817 |
| 4. Public Participation | 28 669 | 30 182 | 29 890 | 36 080 | 32 380 | 28 189 | 33 994 | 36 789 | 36 811 |
| 5. Members' Facilities | 105 908 | 107 684 | 91 644 | 92 640 | 96 459 | 96 459 | 97 272 | 106 219 | 111 530 |
| 6. Co-operative Governance | 4 649 | 4 732 | - | 4 928 | 2 128 | - | 4 863 | 5 144 | 5 401 |
| Total | 191 921 | 216 055 | 221 148 | 230 323 | 241 779 | 231 823 | 240 457 | 253 479 | 266 577 |

Table 2.11 : Summary of payments and estimates by economic classification: Parliamentary Business

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 118 842 | 138 599 | 138 949 | 147 403 | 155 861 | 145 905 | 153 677 | 162 100 | 170 629 |
| Compensation of employees | 46 602 | 65 161 | 68 426 | 74 281 | 78 239 | 77 966 | 78 600 | 83 311 | 87 900 |
| Goods and services | 72 240 | 73 438 | 70 523 | 73 122 | 77 622 | 67 939 | 75 077 | 78 789 | 82 729 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 73 079 | 77 456 | 82 199 | 82 920 | 85 918 | 85 918 | 86 780 | 91 379 | 95 948 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 73 028 | 77 456 | 82 199 | 82 920 | 85 918 | 85 918 | 86 780 | 91 379 | 95 948 |
| Households | 51 | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 191 921 | 216 055 | 221 148 | 230 323 | 241 779 | 231 823 | 240 457 | 253 479 | 266 577 |

Apart from the dip in the 2014/15 Revised Estimate, which results from the cost-containment plan compiled by the Legislature aimed at offsetting in-year spending pressures in Programme 1, Programme 2 shows reasonable growth over the seven-year period. This programme includes substantial funding for public participation events, overseas study tours undertaken by portfolio committees, as well as support for political parties in the form of constituency and secretarial allowances and the PPF. It is noted, too, that the implementation of the sector oversight model impacts mainly on this programme, particularly the sub-programmes: Oversight and Members' Facilities.

The sub-programme: Law-making shows steady growth in the prior years. The high 2013/14 amount includes provision for outstanding 2012/13 public participation commitments. The 2014/15 Main Appropriation includes a portion of the once-off funding for improved Hansard production, specifically for the roll-out of the system by the service provider. This sub-programme was inadvertently under-budgeted for in the 2014/15 Main Appropriation, accounting for the increase in the 2014/15 Adjusted Appropriation. This increase was partly funded by the reprioritisation of funds from the sub-programme: Co-operative Governance, largely due to this new unit not being established yet (with the prior expenditure relating to set-up costs rather than filling of posts). In addition, unspent funds allocated for observing and monitoring of the 2014 general elections were redirected to further offset in-year operational spending pressures. The high Adjusted Appropriation and Revised Estimate largely pertains to the Legacy project, which was not fully budgeted for. This project relates to the compilation of an end-of-term handover project, entitled *Twenty Years of Democracy: A Legacy Report*, with the focus on ensuring a smooth transition between the fourth and fifth Legislatures. This will be funded in terms of the Legislature's cost-containment plan, as mentioned previously. This, together with the once-off Hansard funding, accounts for the decrease from the 2014/15 Adjusted Appropriation and Revised Estimate to 2015/16. This sub-programme shows inflationary growth over the MTEF.

The NCOP sub-programme shows a steady increase, largely due to the annual wage agreements for Legislature staff. The dip in 2013/14 relates to staff turn-over, as well as the fact that there were fewer activities that related to NCOP in that year, in view of the build-up to the 2014 general elections.

The sub-programme: Oversight reflects significant increases from 2012/13 onward, in line with the implementation of the sector oversight model. Also contributing to the high spending, particularly in 2012/13, was the payment of outstanding public participation commitments, including outstanding travel claims. This sub-programme increases substantially from 2013/14 onward to provide for the continued roll-out of the sector oversight model. The 2014/15 Revised Estimate is low when compared to the 2014/15 Main and Adjusted Appropriation due to the previously mentioned cost-containment plan, including the decision taken by the Legislature to revise the number of public participation events planned for the remainder of the financial year, as well as to reconfigure the format of those public participation events, to curtail costs. The 2015/16 allocation is higher than 2016/17, as it includes a portion of the once-off additional funding allocated for strengthening oversight.

With regard to the sub-programme: Public Participation, which combines both staff and sectoral public participation costs, there is a generally steady increase over the seven years. The 2011/12 and 2012/13 amounts are fairly high, as they include payment of outstanding public participation commitments relating to prior years. The 2014/15 Adjusted Appropriation and Revised Estimate amounts are low when compared to the Main Appropriation due to the above-mentioned cost-containment plan.

The Members' Facilities sub-programme makes provision for the constituency and secretarial allowances, as well as the PPF, which is capped at R30 million. The prior years are high because they include payment of outstanding travel claims and prior year commitments in respect of public participation events, accounting for the reduction in 2013/14. The 2014/15 Main Appropriation includes the once-off allocation for observing and monitoring the 2014 general elections. The increase in the 2014/15 Adjusted Appropriation includes interest of R2.998 million earned on the PPF since its inception in 2005, which was formally appropriated back to the Legislature to increase the 2013/14 transfer to the PPF, as mentioned previously. This sub-programme shows good growth in the outer years of the MTEF, largely to cater for support to political parties in the form of constituency and secretarial allowances, public participation events, and the continued implementation of the sector oversight model.

The Co-operative Governance sub-programme fluctuates extensively. In the 2014/15 Adjusted Appropriation, funds were reprioritised from this sub-programme due to the unit not being established yet. The prior years' spending relates to set-up costs, rather than recurrent staff costs.

Compensation of employees shows reasonable growth over the seven-year period as a result of the annual wage adjustments for the Legislature staff. The high growth from 2012/13 relates to the fact that the Legislature commenced implementing the sector oversight model in that year, as explained above. As mentioned earlier, the 2015/16 amount shows minimal growth compared to the 2014/15 Main Appropriation and Revised Estimate, because the MTEF allocations exclude provision for the filling of vacant posts. As mentioned, only critical posts will be filled over the MTEF, and the required budget adjustments will be made in-year to fund these critical posts.

The fluctuations in *Goods and services* can be ascribed to the previously mentioned once-off spending in prior years. For instance, 2011/12 and 2012/13 are fairly high, as they include payment of outstanding travel claims and prior year commitments in respect of public participation events. These were funded from the additional funds allocated to the Legislature during that period, as mentioned previously, and this accounts for the reduction from 2012/13 to 2013/14. The 2014/15 Adjusted Appropriation is high, as it includes the additional once-off funding for observing and monitoring the 2014 general elections, as well as funds reprioritised to cater for the Legacy project mentioned above, which was not fully budgeted for. The reduction in the Revised Estimate relates to the above-mentioned cost-containment plan, where enforced savings were identified under Programme 2 to offset Programme 1's projected over-expenditure.

Transfers and subsidies to: Non-profit institutions comprises the secretarial and constituency allowances payable to political parties, as well as the PPF. The category shows a steady increase over the seven years, despite the capping of the PPF at R30 million. The 2014/15 Adjusted Appropriation is high as it provides for the once-off increase of R2.998 million, relating to interest earned on the PPF which was formally appropriated back to the Legislature for increasing the 2014/15 transfer to the PPF. This amount should have been transferred in 2013/14, but inadvertently was not, accounting for the increase.

Transfers and subsidies to: Households caters for staff exits, which are difficult to predict.

Service delivery measures – Programme 2: Parliamentary Business

Table 2.12 below illustrates the main service delivery measures relating to Programme 2. The Legislature sector has not yet agreed on standardised service delivery measures. Following the previously mentioned strategic planning session, the Legislature reviewed its service delivery measures and introduced a new one with effect from 2015/16, and this is indicated as such in the table below.

Table 2.12 : Service delivery measures – Programme 2: Parliamentary Business

| Outputs | | Performance indicators | Estimated performance | Medium term targets | | | |
|---------|---|---|-----------------------|---------------------|-------------|-------------|--|
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 1. | Increased level of awareness and knowledge of the Legislature and its core business | • No. of public education campaigns/workshops | 20 | 20 | 20 | 20 | |
| 2. | Enhanced oversight, law-making and accountability | • No. of sittings facilitated | 26 | 26 | 26 | 26 | |
| 3. | Improved oversight over departmental planning | • Final draft AOPs adopted by target date | 19 Feb 2015 | 19 Feb 2016 | 20 Feb 2017 | 19 Feb 2018 | |
| | | • No. of progress reports and development of a Provincial Service Delivery Baseline | New | 4 | 4 | 4 | |
| 4. | Improved input into the departmental APPs and budgets | • No. of analysis reports on 2015/16 APPs and budgets tabled at committee meetings | 16 | 10 | 10 | 10 | |
| 5. | Improved oversight over departmental performance against their APPs and budgets | • No. of analysis reports on quarterly and annual reports | 5 per committee | 25 | 25 | 25 | |
| 6. | Improved tracking of resolutions | • Quarterly reports on resolutions | 4 | 4 | 4 | 4 | |
| 7. | Improved oversight over financial management and performance of depts. and public entities | • No. of reports on Finance Committee hearings conducted | 3 | 3 | 3 | 3 | |
| 8. | Improved oversight over depts. and public entities i.r.o. attainment of clean audit reports | • No. of SCOPA hearings conducted | 2 | 2 | 2 | 2 | |

Table 2.12 : Service delivery measures – Programme 2: Parliamentary Business

| Outputs | Performance indicators | Estimated performance | Medium term targets | | | |
|---|---|-----------------------|---------------------|---------|---------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 9. Enhanced oversight through focused intervention studies and oversight visits | • No. of focused intervention studies conducted | 8 | 8 | 8 | 8 | |
| | • No. of oversight visits conducted | 48 | 48 | 48 | 48 | |
| 10. Empowerment of committees to perform oversight | • No. of study tours | 1 | 3 | 5 | 5 | |
| 11. Improved processing of legislation before committees | • Percentage of Bills processed | 100% | 100% | 100% | 100% | |

7. Other programme information

7.1 Personnel numbers and costs

Tables 2.13 and 2.14 reflect personnel information pertaining to the Legislature. Note that the tables relate to the Legislature staff only, and exclude information relating to the Members of the Legislature.

Table 2.13 : Personnel numbers and costs by programme

| 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 | 126 | 155 | 148 | 118 | 118 | 118 | 118 |
| 2. Parliamentary Business | 90 | 104 | 105 | 105 | 105 | 107 | 109 |
| Total | 216 | 259 | 253 | 223 | 223 | 225 | 227 |
| Total personnel cost (R thousand) | 95 707 | 130 132 | 153 015 | 156 625 | 153 269 | 162 826 | 171 816 |
| Unit cost (R thousand) | 443 | 502 | 605 | 702 | 687 | 724 | 757 |

Table 2.14 : Summary of personnel numbers and costs by component

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------|---------|-----------------------|---------------------------|---------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Total for the Legislature | | | | | | | | | |
| Personnel numbers (head count) | 216 | 259 | 253 | 223 | 223 | 223 | 223 | 225 | 227 |
| Personnel cost (R thousands) | 95 707 | 130 132 | 153 015 | 144 280 | 152 625 | 156 625 | 153 269 | 162 826 | 171 816 |
| Human resources component | | | | | | | | | |
| Personnel numbers (head count) | 7 | 8 | 7 | 8 | 10 | 10 | 10 | 10 | 10 |
| Personnel cost (R thousands) | 3 983 | 4 917 | 5 335 | 5 628 | 5 628 | 5 628 | 5 887 | 6 199 | 6 199 |
| Head count as % of total for Legislature | 3.24 | 3.09 | 2.77 | 3.59 | 4.48 | 4.48 | 4.48 | 4.44 | 4.41 |
| Personnel cost as % of total for Legislature | 4.16 | 3.78 | 3.49 | 3.90 | 3.69 | 3.59 | 3.84 | 3.81 | 3.61 |
| Finance component | | | | | | | | | |
| Personnel numbers (head count) | 19 | 23 | 23 | 23 | 24 | 24 | 24 | 24 | 24 |
| Personnel cost (R thousands) | 9 139 | 14 236 | 15 448 | 16 298 | 16 298 | 16 298 | 17 047 | 17 950 | 17 950 |
| Head count as % of total for Legislature | 8.80 | 8.88 | 9.09 | 10.31 | 10.76 | 10.76 | 10.76 | 10.67 | 10.57 |
| Personnel cost as % of total for Legislature | 9.55 | 10.94 | 10.10 | 11.30 | 10.68 | 10.41 | 11.12 | 11.02 | 10.45 |
| Full time workers | | | | | | | | | |
| Personnel numbers (head count) | 193 | 200 | 210 | 210 | 210 | 210 | 210 | 212 | 214 |
| Personnel cost (R thousands) | 92 166 | 123 677 | 148 984 | 141 279 | 149 624 | 153 624 | 149 769 | 159 176 | 167 816 |
| Head count as % of total for Legislature | 89.35 | 77.22 | 83.00 | 94.17 | 94.17 | 94.17 | 94.17 | 94.22 | 94.27 |
| Personnel cost as % of total for Legislature | 96.30 | 95.04 | 97.37 | 97.92 | 98.03 | 98.08 | 97.72 | 97.76 | 97.67 |
| Part-time workers | | | | | | | | | |
| Personnel numbers (head count) | - | - | - | - | - | - | - | - | - |
| Personnel cost (R thousands) | - | - | - | - | - | - | - | - | - |
| Head count as % of total for Legislature | - | - | - | - | - | - | - | - | - |
| Personnel cost as % of total for Legislature | - | - | - | - | - | - | - | - | - |
| Contract workers | | | | | | | | | |
| Personnel numbers (head count) | 23 | 59 | 43 | 13 | 13 | 13 | 13 | 13 | 13 |
| Personnel cost (R thousands) | 3 541 | 6 455 | 4 031 | 3 001 | 3 001 | 3 001 | 3 500 | 3 650 | 4 000 |
| Head count as % of total for Legislature | 10.65 | 22.78 | 17.00 | 5.83 | 5.83 | 5.83 | 5.83 | 5.78 | 5.73 |
| Personnel cost as % of total for Legislature | 3.70 | 4.96 | 2.63 | 2.08 | 1.97 | 1.92 | 2.28 | 2.24 | 2.33 |

The personnel numbers from 2011/12 onward include the implementation of the JE review results, the implementation of the sector oversight model, the commencement of the roll-out of the revised organisational structure, as well as the annual leave encashment. The following points are noted:

- Following an investigation into personnel information resulting from SAP implementation, the prior years have been corrected, and therefore the information is slightly different to the 2014/15 *EPRE*.
- The peak in personnel numbers in 2012/13 and 2013/14 relates to the employment of 33 interns during each of those years, and this accounts for the similar increases in contract worker numbers.
- The contract workers shown in Table 2.14 include interns (in 2012/13 and 2013/14 only), Member drivers, a data-capturer, a stakeholder management practitioner, as well as two gender researchers
- As shown in Table 2.13, the unit cost is lower in 2015/16 when compared to 2014/15. This is because the MTEF amounts exclude provision for the filling of posts, as well as contract workers employed to assist with the roll-out of SAP, as explained previously.
- Only critical posts will be filled over the MTEF, once the productivity and work system investigations have been undertaken. The required budget adjustments and reprioritisation will be made in-year to fund these critical posts, taking into account the Legislature's cost-containment plan.

7.2 Training

Tables 2.15 and 2.16 give a summary of the Legislature's spending and information on training for the period 2011/12 to 2017/18. All training for the Legislature is centralised under Programme 1. Table 2.16 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, the types of training, and details of the number of bursaries and learnerships.

The Skills Development Act is not applicable to provincial legislatures. The amounts reflected relate to specific training courses that will assist in capacitating the various components of the Legislature. The high 2013/14 amount relates to the training that was conducted to ensure the smooth implementation of SAP and the sector oversight model. The 2015/16 amount includes provision for the training of new Members following the 2014 general elections.

Table 2.15 : Payments on training by programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------------------|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 3 362 | 3 576 | 4 484 | 3 937 | 3 937 | 3 647 | 5 084 | 3 964 | 4 163 |
| Subsistence and travel | 961 | 967 | 857 | 1 125 | 1 125 | 1 125 | 1 170 | 1 232 | 1 294 |
| Payments on tuition | 2 401 | 2 609 | 3 627 | 2 812 | 2 812 | 2 522 | 3 914 | 2 732 | 2 869 |
| Other | - | - | - | - | - | - | - | - | - |
| 2. Parliamentary Business | - | - | - | - | - | - | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Total | 3 362 | 3 576 | 4 484 | 3 937 | 3 937 | 3 647 | 5 084 | 3 964 | 4 163 |

Table 2.16 : Information on training: Provincial Legislature

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Number of staff | 216 | 259 | 253 | 223 | 223 | 223 | 223 | 225 | 227 |
| Number of personnel trained | 203 | 137 | 102 | 176 | 176 | 176 | 184 | 194 | 204 |
| of which | | | | | | | | | |
| Male | 89 | 68 | 39 | 88 | 88 | 88 | 92 | 97 | 102 |
| Female | 114 | 69 | 63 | 88 | 88 | 88 | 92 | 97 | 102 |
| Number of training opportunities | 44 | 38 | 38 | 38 | 38 | 38 | 41 | 44 | 46 |
| of which | | | | | | | | | |
| Tertiary | 12 | 12 | 12 | 13 | 13 | 13 | 14 | 15 | 16 |
| Workshops | 13 | 15 | 15 | 13 | 13 | 13 | 14 | 15 | 16 |
| Seminars | - | - | - | - | - | - | - | - | - |
| Other | 19 | 11 | 11 | 12 | 12 | 12 | 13 | 14 | 15 |
| Number of bursaries offered | 12 | 17 | 20 | 21 | 21 | 21 | 22 | 23 | 24 |
| Number of interns appointed | - | 30 | 30 | - | - | - | - | - | - |
| Number of learnerships appointed | 12 | 17 | - | 21 | 21 | 21 | 22 | 23 | 24 |
| Number of days spent on training | 50 | 53 | 56 | 53 | 53 | 53 | 73 | 63 | 63 |

ANNEXURE – VOTE 2: PROVINCIAL LEGISLATURE

Table 2.A : Details of departmental receipts: Provincial Legislature

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|------------|------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 77 | 73 | 107 | 49 | 49 | 81 | 51 | 54 | 57 |
| Sale of goods and services produced by dept. (excl. capital assets) | - | - | - | - | - | - | - | - | - |
| Sales by market establishments | - | - | - | - | - | - | - | - | - |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Other sales | - | - | - | - | - | - | - | - | - |
| Sale of scrap, waste, arms and other used current goods (excl. capital assets) | 77 | 73 | 107 | 49 | 49 | 81 | 51 | 54 | 57 |
| Transfers received from: | - | - | - | - | - | - | - | - | - |
| Other governmental units | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments | - | - | - | - | - | - | - | - | - |
| International organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Households and non-profit institutions | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | 920 | 449 | 802 | 413 | 413 | 1 111 | 432 | 455 | 478 |
| Interest | 920 | 449 | 802 | 413 | 413 | 1 111 | 432 | 455 | 478 |
| Dividends | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | 437 | 564 | - | - | - | 485 | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Other capital assets | 437 | 564 | - | - | - | 485 | - | - | - |
| Transactions in financial assets and liabilities | 120 | 1 245 | 3 015 | 241 | 241 | 846 | 252 | 265 | 278 |
| Total | 1 554 | 2 331 | 3 924 | 703 | 703 | 2 523 | 735 | 774 | 813 |

Table 2.B : Payments and estimates by economic classification: Provincial Legislature

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 227 427 | 262 322 | 290 402 | 280 672 | 292 305 | 293 554 | 286 324 | 294 687 | 310 272 |
| Compensation of employees | 95 707 | 130 132 | 153 015 | 144 280 | 152 625 | 156 625 | 153 269 | 162 826 | 171 816 |
| Salaries and wages | 85 217 | 116 522 | 132 552 | 125 496 | 132 727 | 136 886 | 133 021 | 143 842 | 151 886 |
| Social contributions | 10 490 | 13 610 | 20 463 | 18 784 | 19 898 | 19 739 | 20 248 | 18 984 | 19 930 |
| Goods and services | 131 720 | 132 083 | 137 387 | 136 392 | 139 680 | 136 929 | 133 055 | 131 861 | 138 456 |
| Administrative fees | 64 | 3 960 | 56 | 685 | 685 | 1 004 | 896 | 1 095 | 1 156 |
| Advertising | 10 436 | 6 529 | 8 550 | 8 289 | 7 382 | 6 205 | 9 006 | 7 485 | 7 847 |
| Assets less than the capitalisation threshold | 927 | 1 282 | 165 | 1 688 | 1 588 | 782 | 727 | 285 | 349 |
| Audit cost: External | 1 822 | 1 425 | 2 617 | 2 248 | 2 652 | 3 508 | 2 251 | 2 019 | 2 120 |
| Bursaries: Employees | 282 | 549 | 598 | 597 | 597 | 496 | 643 | 756 | 794 |
| Catering: Departmental activities | 12 902 | 13 431 | 12 316 | 17 002 | 19 062 | 10 675 | 16 513 | 14 746 | 15 581 |
| Communication (G&S) | 8 117 | 8 150 | 11 010 | 8 284 | 6 127 | 7 662 | 5 660 | 8 320 | 8 740 |
| Computer services | 4 506 | 3 617 | 7 930 | 3 839 | 6 542 | 2 416 | 1 129 | 3 494 | 3 541 |
| Cons & prof serv: Business and advisory services | 2 379 | 1 137 | 3 630 | 18 735 | 13 139 | 17 430 | 2 209 | 2 963 | 3 124 |
| Cons & prof serv: Infras and planning | - | - | - | 3 000 | 3 000 | 1 000 | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 209 | 27 | 402 | 225 | 225 | 515 | 294 | 290 | 305 |
| Contractors | 7 433 | 7 556 | 7 512 | 5 781 | 9 029 | 9 261 | 5 793 | 8 602 | 9 139 |
| Agency and support / outsourced services | 2 925 | 1 586 | - | 1 296 | 1 296 | 61 | - | - | - |
| Entertainment | 420 | 71 | 60 | 556 | 432 | 164 | 270 | 673 | 714 |
| Fleet services (incl. govt motor transport) | 1 113 | 1 666 | 2 110 | 1 577 | 1 726 | 1 371 | 1 709 | 1 558 | 1 635 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 550 | 9 | - | 266 | 1 047 | 870 | 646 | 187 | 28 |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 452 | 329 | 269 | 382 | 382 | 382 | 400 | - | - |
| Inventory: Materials and supplies | 95 | 39 | 101 | 129 | 129 | 64 | 135 | 84 | 88 |
| Inventory: Medical supplies | - | - | - | 5 | 5 | 4 | 5 | 7 | 7 |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medias inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | 111 | - | - | - | - | - | - | - |
| Consumable supplies | 293 | 541 | 1 226 | 364 | 458 | 698 | 364 | 1 101 | 1 156 |
| Consumable: Stationery, printing and office supplies | 679 | 776 | 1 167 | 957 | 957 | 879 | 948 | 1 169 | 1 239 |
| Operating leases | 4 284 | 5 857 | 7 008 | 4 662 | 5 963 | 10 764 | 4 758 | 5 083 | 5 108 |
| Property payments | 3 921 | 6 181 | 8 263 | 4 243 | 4 704 | 7 732 | 5 521 | 5 298 | 5 563 |
| Transport provided: Departmental activity | 5 036 | 5 996 | 4 570 | 3 285 | 2 465 | 2 668 | 3 430 | 6 993 | 7 247 |
| Travel and subsistence | 40 998 | 47 175 | 38 160 | 30 690 | 35 385 | 34 033 | 41 785 | 34 139 | 36 959 |
| Training and development | 2 401 | 2 609 | 3 627 | 2 812 | 2 812 | 2 522 | 3 914 | 2 732 | 2 869 |
| Operating payments | 6 439 | 3 295 | 3 845 | 6 418 | 6 623 | 4 022 | 9 835 | 9 764 | 10 360 |
| Venues and facilities | 13 037 | 8 179 | 12 195 | 8 377 | 5 268 | 9 741 | 14 214 | 13 018 | 12 787 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | 107 | - | - | - | - | - | - | - |
| Interest | - | 107 | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 73 872 | 78 199 | 82 436 | 83 464 | 86 462 | 86 364 | 87 372 | 92 528 | 97 154 |
| Provinces and municipalities | 40 | 10 | 16 | 34 | 34 | 34 | 36 | 38 | 40 |
| Provinces | 40 | 10 | 16 | 34 | 34 | 34 | 36 | 38 | 40 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 40 | 10 | 16 | 34 | 34 | 34 | 36 | 38 | 40 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | 276 | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | 276 | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | 173 | 233 | 221 | 198 | 198 | 189 | 207 | 217 | 228 |
| Public corporations and private enterprises | - | - | - | 25 | 25 | 19 | 26 | 27 | 28 |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | 25 | 25 | 19 | 26 | 27 | 28 |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | 25 | 25 | 19 | 26 | 27 | 28 |
| Non-profit institutions | 73 028 | 77 456 | 82 199 | 82 920 | 85 918 | 85 918 | 86 780 | 91 379 | 95 948 |
| Households | 631 | 224 | - | 287 | 287 | 204 | 323 | 867 | 910 |
| Social benefits | - | 63 | - | - | - | - | - | - | - |
| Other transfers to households | 631 | 161 | - | 287 | 287 | 204 | 323 | 867 | 910 |
| Payments for capital assets | 13 688 | 24 037 | 16 996 | 18 582 | 18 582 | 17 431 | 9 477 | 7 347 | 7 714 |
| Buildings and other fixed structures | 138 | 2 853 | 4 181 | 813 | 813 | 1 680 | 850 | 895 | 940 |
| Buildings | - | - | 4 181 | 813 | 813 | 1 680 | 850 | 895 | 940 |
| Other fixed structures | 138 | 2 853 | - | - | - | - | - | - | - |
| Machinery and equipment | 5 150 | 15 352 | 6 332 | 15 391 | 15 391 | 13 373 | 7 139 | 4 885 | 5 129 |
| Transport equipment | 1 827 | 1 340 | 1 821 | 3 654 | 3 654 | 3 654 | 2 039 | 2 147 | 2 254 |
| Other machinery and equipment | 3 323 | 14 012 | 4 511 | 11 737 | 11 737 | 9 719 | 5 100 | 2 738 | 2 875 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 8 400 | 5 832 | 6 483 | 2 378 | 2 378 | 2 378 | 1 488 | 1 567 | 1 645 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 314 987 | 364 558 | 389 834 | 382 718 | 397 349 | 397 349 | 383 173 | 394 562 | 415 140 |
| of which: | | | | | | | | | |
| Departmental receipts | - | - | - | - | - | - | - | - | - |
| Adjusted total | 314 987 | 364 558 | 389 834 | 382 718 | 397 349 | 397 349 | 383 173 | 394 562 | 415 140 |
| Members' remuneration | 65 601 | 67 160 | 71 095 | 108 468 | 86 241 | 86 241 | 82 321 | 85 790 | 89 230 |
| Adjusted total (incl. Members' remuneration) | 380 588 | 431 718 | 460 929 | 491 186 | 483 590 | 483 590 | 465 494 | 480 352 | 504 370 |

Table 2.C : Payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 108 585 | 123 723 | 151 453 | 133 269 | 136 444 | 147 649 | 132 647 | 132 587 | 139 643 |
| Compensation of employees | 49 105 | 64 971 | 84 589 | 69 999 | 74 386 | 78 659 | 74 669 | 79 515 | 83 916 |
| Salaries and wages | 44 094 | 57 335 | 73 323 | 59 647 | 63 559 | 67 832 | 63 241 | 69 672 | 73 584 |
| Social contributions | 5 011 | 7 636 | 11 266 | 10 352 | 10 827 | 10 827 | 11 428 | 9 843 | 10 332 |
| Goods and services | 59 480 | 58 645 | 66 864 | 63 270 | 62 058 | 68 990 | 57 978 | 53 072 | 55 727 |
| Administrative fees | 60 | 3 834 | 51 | 646 | 646 | 853 | 855 | 831 | 877 |
| Advertising | 2 699 | 3 286 | 4 319 | 3 016 | 2 951 | 2 234 | 1 776 | 2 222 | 2 319 |
| Assets less than the capitalisation threshold | 927 | 1 282 | 165 | 1 688 | 1 588 | 782 | 727 | 279 | 343 |
| Audit cost: External | 1 822 | 1 425 | 2 617 | 2 248 | 2 652 | 3 508 | 2 251 | 2 019 | 2 120 |
| Bursaries: Employees | 262 | 219 | 598 | 414 | 414 | 313 | 433 | 346 | 363 |
| Catering: Departmental activities | 1 175 | 2 813 | 1 591 | 2 017 | 2 104 | 2 060 | 1 556 | 1 100 | 1 170 |
| Communication (G&S) | 4 301 | 5 786 | 8 688 | 5 641 | 3 484 | 5 013 | 4 766 | 3 663 | 3 851 |
| Computer services | 4 506 | 3 617 | 7 856 | 3 839 | 6 542 | 2 327 | 1 129 | 3 494 | 3 541 |
| Cons & prof serv: Business and advisory services | 2 379 | 344 | 3 124 | 4 768 | 4 570 | 10 413 | 2 010 | 2 842 | 2 996 |
| Cons & prof serv: Infras and planning | - | - | - | 3 000 | 3 000 | 1 000 | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 1 | - | - | - | - | - | - | - | - |
| Contractors | 3 794 | 4 205 | 3 199 | 4 082 | 4 166 | 6 794 | 4 290 | 3 520 | 3 795 |
| Agency and support / outsourced services | 2 698 | 955 | - | 1 296 | 1 296 | 11 | - | - | - |
| Entertainment | 224 | 64 | 30 | 407 | 407 | 139 | 214 | 335 | 358 |
| Fleet services (incl. govt motor transport) | 1 113 | 1 666 | 2 074 | 1 577 | 1 726 | 1 370 | 1 709 | 1 558 | 1 635 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 550 | 9 | - | 266 | 1 047 | 870 | 646 | 187 | 28 |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 452 | 329 | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 93 | 34 | 101 | 129 | 129 | 64 | 135 | 82 | 86 |
| Inventory: Medical supplies | - | - | - | 5 | 5 | 4 | 5 | 7 | 7 |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medias inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | (9) | - | - | - | - | - | - | - | - |
| Consumable supplies | 284 | 541 | 611 | 342 | 362 | 363 | 341 | 1 039 | 1 091 |
| Consumable: Stationery, printing and office supplies | 679 | 659 | 863 | 865 | 865 | 703 | 761 | 865 | 920 |
| Operating leases | 4 284 | 5 857 | 7 008 | 4 662 | 5 963 | 10 764 | 4 758 | 5 083 | 5 108 |
| Property payments | 3 916 | 6 181 | 8 162 | 4 243 | 4 704 | 7 732 | 5 521 | 5 288 | 5 553 |
| Transport provided: Departmental activity | 146 | (4) | 180 | 85 | 85 | 85 | 85 | 94 | 99 |
| Travel and subsistence | 14 911 | 8 993 | 8 654 | 7 900 | 5 919 | 6 981 | 12 981 | 11 429 | 11 268 |
| Training and development | 2 401 | 2 609 | 3 359 | 2 812 | 2 812 | 2 522 | 3 414 | 2 234 | 2 346 |
| Operating payments | 4 974 | 2 742 | 2 473 | 5 478 | 3 900 | 1 567 | 5 215 | 4 514 | 4 801 |
| Venues and facilities | 838 | 1 199 | 1 141 | 1 844 | 721 | 518 | 2 400 | 41 | 1 052 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | 107 | - | - | - | - | - | - | - |
| Interest | - | 107 | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 793 | 743 | 237 | 544 | 544 | 446 | 592 | 1 149 | 1 206 |
| Provinces and municipalities | 40 | 10 | 16 | 34 | 34 | 34 | 36 | 38 | 40 |
| Provinces | 40 | 10 | 16 | 34 | 34 | 34 | 36 | 38 | 40 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 40 | 10 | 16 | 34 | 34 | 34 | 36 | 38 | 40 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | 276 | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | 276 | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | 173 | 233 | 221 | 198 | 198 | 189 | 207 | 217 | 228 |
| Public corporations and private enterprises | - | - | - | 25 | 25 | 19 | 26 | 27 | 28 |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | 25 | 25 | 19 | 26 | 27 | 28 |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | 25 | 25 | 19 | 26 | 27 | 28 |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 580 | 224 | - | 287 | 287 | 204 | 323 | 867 | 910 |
| Social benefits | - | 63 | - | - | - | - | - | - | - |
| Other transfers to households | 580 | 161 | - | 287 | 287 | 204 | 323 | 867 | 910 |
| Payments for capital assets | 13 688 | 24 037 | 16 996 | 18 582 | 18 582 | 17 431 | 9 477 | 7 347 | 7 714 |
| Buildings and other fixed structures | 138 | 2 853 | 4 181 | 813 | 813 | 1 680 | 850 | 895 | 940 |
| Buildings | - | - | 4 181 | 813 | 813 | 1 680 | 850 | 895 | 940 |
| Other fixed structures | 138 | 2 853 | - | - | - | - | - | - | - |
| Machinery and equipment | 5 150 | 15 352 | 6 332 | 15 391 | 15 391 | 13 373 | 7 139 | 4 885 | 5 129 |
| Transport equipment | 1 827 | 1 340 | 1 821 | 3 654 | 3 654 | 3 654 | 2 039 | 2 147 | 2 254 |
| Other machinery and equipment | 3 323 | 14 012 | 4 511 | 11 737 | 11 737 | 9 719 | 5 100 | 2 738 | 2 875 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 8 400 | 5 832 | 6 483 | 2 378 | 2 378 | 2 378 | 1 488 | 1 567 | 1 645 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 123 066 | 148 503 | 168 686 | 152 395 | 155 570 | 165 526 | 142 716 | 141 083 | 148 563 |

Table 2.D : Payments and estimates by economic classification: Parliamentary Business

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|-----------------------|---------------------------|---------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 118 842 | 138 599 | 138 949 | 147 403 | 155 861 | 145 905 | 153 677 | 162 100 | 170 629 |
| Compensation of employees | 46 602 | 65 161 | 68 426 | 74 281 | 78 239 | 77 966 | 78 600 | 83 311 | 87 900 |
| Salaries and wages | 41 123 | 59 187 | 59 229 | 65 849 | 69 168 | 69 054 | 69 780 | 74 170 | 78 302 |
| Social contributions | 5 479 | 5 974 | 9 197 | 8 432 | 9 071 | 8 912 | 8 820 | 9 141 | 9 598 |
| Goods and services | 72 240 | 73 438 | 70 523 | 73 122 | 77 622 | 67 939 | 75 077 | 78 789 | 82 729 |
| Administrative fees | 4 | 126 | 5 | 39 | 39 | 151 | 41 | 264 | 279 |
| Advertising | 7 737 | 3 243 | 4 231 | 5 273 | 4 431 | 3 971 | 7 230 | 5 263 | 5 528 |
| Assets less than the capitalisation threshold | - | - | - | - | - | - | - | 6 | 6 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | 20 | 330 | - | 183 | 183 | 183 | 210 | 410 | 431 |
| Catering: Departmental activities | 11 727 | 10 618 | 10 725 | 14 985 | 16 958 | 8 615 | 14 957 | 13 646 | 14 411 |
| Communication (G&S) | 3 816 | 2 364 | 2 322 | 2 643 | 2 643 | 2 649 | 894 | 4 657 | 4 889 |
| Computer services | - | - | 74 | - | - | 89 | - | - | - |
| Cons & prof serv: Business and advisory services | - | 793 | 506 | 13 967 | 8 569 | 7 017 | 199 | 121 | 128 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 208 | 27 | 402 | 225 | 225 | 515 | 294 | 290 | 305 |
| Contractors | 3 639 | 3 351 | 4 313 | 1 699 | 4 863 | 2 467 | 1 503 | 5 082 | 5 344 |
| Agency and support / outsourced services | 227 | 631 | - | - | - | 50 | - | - | - |
| Entertainment | 196 | 7 | 30 | 149 | 25 | 25 | 56 | 338 | 356 |
| Fleet services (incl. govt motor transport) | - | - | 36 | - | - | 1 | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | 269 | 382 | 382 | 382 | 400 | - | - |
| Inventory: Materials and supplies | 2 | 5 | - | - | - | - | - | 2 | 2 |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | 9 | 111 | - | - | - | - | - | - | - |
| Consumable supplies | 9 | - | 615 | 22 | 96 | 335 | 23 | 62 | 65 |
| Consumable: Stationery, printing and office supplies | - | 117 | 304 | 92 | 92 | 176 | 187 | 304 | 319 |
| Operating leases | - | - | - | - | - | - | - | - | - |
| Property payments | 5 | - | 101 | - | - | - | - | 10 | 10 |
| Transport provided: Departmental activity | 4 890 | 6 000 | 4 390 | 3 200 | 2 380 | 2 583 | 3 345 | 6 899 | 7 148 |
| Travel and subsistence | 26 087 | 38 182 | 29 506 | 22 790 | 29 466 | 27 052 | 28 804 | 22 710 | 25 691 |
| Training and development | - | - | 268 | - | - | - | 500 | 498 | 523 |
| Operating payments | 1 465 | 553 | 1 372 | 940 | 2 723 | 2 455 | 4 620 | 5 250 | 5 559 |
| Venues and facilities | 12 199 | 6 980 | 11 054 | 6 533 | 4 547 | 9 223 | 11 814 | 12 977 | 11 735 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 73 079 | 77 456 | 82 199 | 82 920 | 85 918 | 85 918 | 86 780 | 91 379 | 95 948 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 73 028 | 77 456 | 82 199 | 82 920 | 85 918 | 85 918 | 86 780 | 91 379 | 95 948 |
| Households | 51 | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | 51 | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 191 921 | 216 055 | 221 148 | 230 323 | 241 779 | 231 823 | 240 457 | 253 479 | 266 577 |

Table 2.E: Provincial Legislature - Payments of infrastructure by category

| Project name | | Municipality / Region | Type of infrastructure | Project duration | | Source of funding | Budget programme name | Targeted number of jobs for 2015/16 | Total project cost | Expenditure to date from previous years | Total available | MTEF Forward estimates | |
|--|---|-----------------------|------------------------|------------------|---------------|-------------------|-----------------------|-------------------------------------|--------------------|---|-----------------|------------------------|--------------|
| School - primary/ secondary/ specialised; admin block; water; electricity; sanitation/toilet; fencing etc. | | | | Date: Start | Date: Finish | | | | | | 2015/16 | 2016/17 | 2017/18 |
| R thousands | | | | | | | | | | | | | |
| Existing infrastructure assets | | | | | | | | | | | 4 900 | 4 990 | 5 110 |
| <i>of which:</i> | | | | | | | | | | | | | |
| Maintenance and repair: Current | | | | | | | | | | | 4 050 | 4 095 | 4 170 |
| Ground maintenance | Legislature building | Msunduzi | 1 | 01 April 2015 | 31 March 2016 | Equitable share | Programme 1 | - | - | - | 30 | - | - |
| | Legislature building | Msunduzi | 1 | 01 April 2015 | Ongoing | Equitable share | Programme 1 | - | - | - | 20 | 24 | 28 |
| | Admin. building | Msunduzi | 1 | 01 April 2015 | Ongoing | Equitable share | Programme 1 | - | - | - | 50 | 56 | 63 |
| | Admin. building | Msunduzi | 1 | 01 April 2015 | 31 March 2018 | Equitable share | Programme 1 | - | - | - | 330 | 300 | 300 |
| | Admin. building | Msunduzi | 2 | 01 April 2015 | Ongoing | Equitable share | Programme 1 | - | - | - | 24 | 30 | 34 |
| | Legislature and Admin. buildings | Msunduzi | 2 | 01 April 2015 | Ongoing | Equitable share | Programme 1 | - | - | - | 460 | 360 | 360 |
| | Legislature and Admin. buildings | Msunduzi | 2 | 01 April 2015 | Ongoing | Equitable share | Programme 1 | - | - | - | 1 566 | 2 740 | 3 185 |
| | Legislature and Admin. buildings | Msunduzi | 2 | 01 April 2015 | 31 March 2018 | Equitable share | Programme 1 | - | - | - | 550 | 160 | 200 |
| | Legislature and Admin. buildings | Msunduzi | 2 | 01 April 2015 | 31 March 2016 | Equitable share | Programme 1 | - | - | - | 270 | - | - |
| | Legislature building | Msunduzi | 1 | 01 April 2015 | 31 March 2017 | Equitable share | Programme 1 | - | - | - | 150 | 150 | - |
| | Legislature and Admin. buildings | Msunduzi | 2 | 01 April 2015 | 31 March 2017 | Equitable share | Programme 1 | - | - | - | 200 | 195 | - |
| | Admin. building | Msunduzi | 1 | 01 April 2015 | 31 March 2017 | Equitable share | Programme 1 | - | - | - | 400 | 80 | - |
| | Upgrades and additions: Capital | | | | | | | | | | 850 | 895 | 940 |
| | Capital revamping of Legislature building | Msunduzi | 1 | 01 April 2012 | Ongoing | Equitable share | Programme 1 | - | - | - | 850 | 895 | 940 |
| | Refurbishment and rehabilitation: Capital | | | | | | | | | | - | - | - |
| | New infrastructure assets: Capital | | | | | | | | | | | | |
| <i>of which:</i> | | | | | | | | | | | | | |
| Infrastructure transfers: Current | | | | | | | | | | | | | |
| Infrastructure transfers: Capital | | | | | | | | | | | | | |
| Infrastructure: Payments for financial assets | | | | | | | | | | | | | |
| Infrastructure: Leases | | | | | | | | | | | | | |
| Total | | | | | | | | | | | 4 900 | 4 990 | 5 110 |
| Capital infrastructure | | | | | | | | | | | 850 | 895 | 940 |
| Current infrastructure | | | | | | | | | | | 4 050 | 4 095 | 4 170 |

VOTE 3

Agriculture and Rural Development

| | |
|---------------------------------|---|
| Operational budget | R 2 201 252 423 |
| MEC remuneration | R 1 821 577 |
| Total amount to be appropriated | R 2 203 074 000 |
| Responsible MEC | MEC for Agriculture and Rural Development |
| Administering department | Agriculture and Rural Development |
| Accounting officer | Head: Agriculture and Rural Development |

1. Overview

Vision

The vision of the Department of Agriculture and Rural Development (DARD) is: *A united, sustainable and vibrant agricultural sector with thriving rural communities in balance with nature.*

Mission statement

The department's mission is: *To promote, through partnerships, sound agricultural practices that promote economic growth, food security and advancement of rural communities.*

Strategic objectives

Strategic policy direction: The department has taken into account the policy direction and priorities of national and provincial government, as well as its mandate in order to come up with its priority activities.

DARD's new approach to agrarian reform is built on the foundation of sound scientific agricultural technology, and the optimal use of resources as captured in the commodity approach. The next level in the reform is based on a sound business model that will support the development and running of the "farming business". To penetrate the value chain, an agro-processing building block is also advocated so that value is added to primary agricultural production for best value in the market place and to improve shelf life.

The department has set the following goals and strategic objectives in order to achieve this:

Rural development, agrarian reform and social and economic infrastructure development

- Provide technical support, extension, specialist advisory services and progressive training and mentorship to households and farmers.
- Provide and develop support systems and infrastructure for sustainable land use, agricultural development and comprehensive rural development.
- Ensure the prevention, control and/or eradication of animal diseases.
- Create and facilitate improved access to a stable and diversified food supply for improved nutritional well-being and improvement in household income.
- Undertake appropriate adaptive agricultural research and technology development and transfer, to advance agriculture.

Creation of decent work opportunities and ensuring economic growth and infrastructure development

- Create access to local and international markets for local agricultural products.
- Develop commercial farming entrepreneurs and agri-business.
- Enhance linkages with international entities, partners, stakeholders and all spheres of government.

Core functions

In order to achieve the above strategic objectives, the department is responsible for carrying out the following core functions:

- Crop production.
- Livestock production.
- Rural development.

Legislative mandate

The core functions are governed by various Acts and regulations, falling under the following categories:

Transversal legislation

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- KZN Provincial SCM Policy Framework of 2006
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Companies Act (Act No. 61 of 1973)
- Public Service Act (Act No. 109 of 1994, as amended) and Public Service Regulations of 2001
- Labour Relations Act (Act No. 66 of 1995)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Skills Development Act (Act No. 97 of 1998)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Occupational Health and Safety Act (Act No. 85 of 1993)
- Compensation for Occupational Injuries and Diseases Act (Act No. 130 of 1993)
- Annual Division of Revenue Act
- Employment Equity Act (Act No. 55 of 1998)
- Public Service Commission Act (Act No. 65 of 1984)
- Promotion of Administrative Justice Act (Act No. 3 of 2000)

Agriculture legislation

- KwaZulu Animal Protection Act (Act No. 4 of 1987)
- Conservation of Agricultural Resources Act (Act No. 43 of 1983)
- Marketing of Agricultural Products Act (Act No. 47 of 1996)
- Control of Market in Rural Areas Ordinance (No. 38 of 1965)
- Subdivision of Agricultural Land Act (Act No. 10 of 1970)
- Plant Improvement Act (Act No. 53 of 1976)
- Agricultural Pests Act (Act No. 36 of 1983)
- Agriculture Law Extension Act (Act No. of 1996)
- KwaZulu General Law Amendment Act (Act No. 3 of 1987)
- KwaZulu General Law Amendment Act (Act No. 21 of 1988)
- National Veld and Forest Fire Act (Act No. 101 of 1998)
- Veterinary and Para-Veterinary Professions Act (Act No. 19 of 1982)
- Livestock Brands Act (Act No. 87 of 1962)
- Livestock Improvement Act (Act No. 25 of 1977)
- Meat Safety Act, 2000 (Act No. 40 of 2000) (Replacing Abattoir and Co-operation Act)
- South African Medicines and Medical Devices Regulatory Authority Act (Act No. 32 of 1998)

- International Animal Health Code of World Organisation for Animal Health (OIE-Office International des Epizooties)
- Animal Diseases Act (Act No. 35 of 1984)
- International Code for Laboratory Diagnostic Procedure for Animal Diseases of World Organisation for Animal Health
- The Sanitary and Phyto-sanitary Agreement of the World Trade Organisation (WTO)
- Water Service Act (Act No. 108 of 1997)
- Marketing of Agricultural Products Act (Act No. 47 of 1996)
- Agricultural Pests Act (Act No. 36 of 1983)
- Agricultural Research Act (Act No. 86 1990)
- Agricultural Products Standards Act (Act No. 119 of 1990)
- Agricultural Produce Agents Act (Act No. 12 of 1992)
- Agricultural Development Fund Act (Act No. 175 of 1993)
- Perishable Product Export Control Act (Act No. 9 of 1983)
- Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act (Act No. 36 of 1947)
- Agricultural Credit Act (Act No. 28 of 1966)
- Marketing Act (Act No. 59 of 1958)
- Plant Breeder's Right Act (Act No. 15 of 1976)
- Land Redistribution Policy for Agricultural Development
- Agricultural Debt Management Act (Act No. 45 of 2001)
- Soil User Planning Ordinance (Ordinance No. 15 of 1985)
- Generally Modified Organisms Act (Act No. 15 of 1997)
- Hazardous Substances Act (Act No. 63 of 1973)
- Environment Conservation Act (Act No. 73 of 1989)
- Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act (Act No. 36 of 1947)
- Agri-business Development Agency Bill.

Rural development legislation

- Deeds Registries Act (Act No. 47 of 1937)
- State Land Disposal Act (Act No. 48 of 1961)
- Physical Planning Act (Act No. 88 of 1967)
- Sectional Titles Act (Act No. 95 of 1986)
- Upgrading of Land Tenure Rights Act (Act No. 112 of 1991)
- Land Reform: Provision of Land and Assistance Act (Act No. 126 of 1993)
- Restitution of Land Rights Act (Act No. 22 of 1994)
- Land Reform (Labour Tenants) Act (Act No. 3 of 1996)
- Communal Property Associations Act (Act No. 28 of 1996)
- Land Survey Act (Act No. 8 of 1997)
- Extension of Security of Tenure Act (Act No. 62 of 1997)
- Planning Profession Act (Act No. 36 of 2002)
- Professional and Technical Surveyors Act (Act No. 40 of 1984)
- Spatial Data Infrastructure Act (Act No. 54 of 2003)
- Spatial Planning and Land Use Management Act (Act No. 16 of 2013)
- Data Infrastructure Act (Act No. 54 of 2003)
- Restitution of Land Rights Amendment Act (Act No. 48 of 2003)
- Removal of Restrictions Act (Act No. 84 of 1967)

- Physical Planning Act (Act No. 125 of 1991)
- Land Titles Adjustment Act (Act No. 111 of 1993)
- Land Survey Act (Act No. 8 of 1997)
- Communal Land Rights Act (Act No. 11 of 2004)
- Abolition of Certain Title Conditions Act (Act No. 43 of 1999)
- Transformation of Certain Rural Areas Act (Act No. 94 of 1998)
- Interim Protection of Informal Land Rights Act (Act No. 31 of 1996)
- Special Data Infrastructure Act (Act No. 54 of 2003)
- Professional and Technical Surveyors Act (Act No. 40 of 1984)

2. Review of the 2014/15 financial year

Section 2 provides a review of 2014/15, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments.

Crop production

The department continued with its efforts to unlock the potential of agricultural land through its mechanisation programme, with the ploughing and planting of more than 16 000 ha. The department also engaged service providers that have the required machinery to provide this service in areas that could not be covered by the department's limited mechanisation fleet. The department also continued with the liming programme that commenced in 2011/12, with more than 1 000 ha limed in 2014/15.

Livestock development

The department continued with the implementation of the livestock intervention programme, focusing on primary animal health care and provision of basic infrastructure. In 2014/15, the department finalised the tender for the animal identification pillar of this programme. Full roll-out and implementation hereof will be done in 2015/16 which should see a reduction in the incidents in respect of stock theft, and livestock wandering around causing accidents, etc. Further activities included provision of water (i.e. scooping of dams), drilling and equipping of boreholes, rehabilitation and building of new diptanks, deworming and vaccination of animals, livestock auction sales, etc.

Land reform

The department provided post settlement support to commercial farms transferred to new farmers. This assistance was provided by departmental officials as well as its public entity, the Agri-business Development Agency (ADA). Key among ADA's programmes is the development and broadening of access to the value chain of black commercial farmers, whereby it seeks to integrate the previously disadvantaged farmers into the mainstream economy.

Food security

The department continued to provide support to households through a range of food security interventions including seed distribution, establishing tunnels, training communities and establishing gardens at institution, community and household levels.

Mjindi Farming (Pty) Ltd (Mjindi)

Mjindi is a provincial government business enterprise, mandated to provide farming support to farmers in the Makhathini area. The productivity of the farmers in the area depends on the availability of services such as water, and therefore a proper functioning irrigation scheme is critical. The main focus in 2014/15 was on the maintenance of the irrigation infrastructure and equipment. The entity was also engaged in farmer development initiatives, which included the training of farmers and introducing farmers to the commercialisation strategy, which encourages farmers to produce on a commercial basis by pooling their resources and producing in line with market demands. The entity also sourced markets for vegetable farmers and encouraged partnerships and joint ventures with big companies and co-operatives to assist in financing and skills transfer.

A lack of human resource capacity remained a challenge, impacting negatively on advisory services to farmers, as well as the launch of farmer capacity building programmes. Land disputes among land users are still an obstacle in terms of utilising land. Also, theft and vandalism of the irrigation infrastructure and fencing continued to be a problem during 2014/15.

Agri-business Development Agency (ADA)

ADA was created in 2009 to ensure that emerging farmers and rural communities, particularly those that acquired land through the restitution programme, have the required farming skills and experience to maintain their farms. ADA receives Comprehensive Agricultural Support Programme (CASP) conditional grant funding toward on-and-off infrastructure farming interventions. Such infrastructure projects are preceded by various legislative and planning processes, such as health and safety regulations, environmental legislation, feasibility assessments, etc. In order to prepare the farms for infrastructural development, ADA needs to, among others, source experienced service providers to assist farmers. However, the lack of requisite skills in the local agri-business sector still remains a challenge, which will be targeted going forward by promoting agri-businesses and active networking in the agricultural sector.

The focus of ADA in 2014/15 was on technical support for large infrastructure projects. ADA exceeded its target on capacity building as a result of strengthened relationships with training institutions, as well as growing interest among beneficiary farmers. In 2014/15, the Young Farmer Training programme was piloted in partnership with the Dalum College in Denmark. In terms of infrastructure support, ADA supported over 80 projects, including continuing projects from the previous financial year. The projects for 2014/15 included poultry units, irrigation, sow units, dairy, tractors, production inputs, fencing, etc.

3. Outlook for the 2015/16 financial year

Section 3 looks at the key focus areas of 2015/16, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

In 2015/16, the department will be implementing a radical change in the programmes it supports and the manner in which it carries out its mandate. This change is informed by both the National Development Plan (NDP), as well as the national Agricultural Policy Action Plan (APAP). These plans have directed government to focus on several key strategies, namely:

- Prioritising labour-intensive agricultural sub-sectors – e.g. vegetable production on irrigation schemes.
- Encouraging better use of under-utilised lands in communal areas for dry land production of grains such as maize, soya, beans, etc.
- Strengthening the use of research and climate smart agriculture, such as drip irrigation, no-till planting.
- Aggressively redeveloping under-utilised land reform farms.

With these strategies in mind, the department will be launching a number of new programmes in 2015/16. These programmes will have a foundation that is focused on:

- Scientific research, technology development and renewed focus on the role of agricultural extension.
- Building close partnership with critical commodity associations in areas of grains, red meat and poultry production, dairy, etc.
- Emphasising the need to ensure the department's projects are based on sound business principles.
- Encouraging agro-processing, as value-adding creates more income for farmers and more jobs than primary agriculture.

The department's new programmes will be in the form of four key "pillars", namely:

- Land reform post settlement and recapitalisation – identifying failed farms and under-utilised land and putting these to proper commercial use *via* partnerships between land owners and commercial sector.
- Agri-villages – development of a new settlement, or converting an existing nucleus settlement for the purpose of settling farm workers and dwellers in a manner that gives them land tenure, access to services and additional economic opportunities.

- River valley development – the identification of neighbouring rivers and streams of arable lands and the development of the land into viable irrigation schemes.
- Communal estates development – the consolidation of adjacent parcels of land into viable farming units and the establishment of commercial farming operations by the land owners in partnership with government and possibly investors or neighbouring commercial farmers.

Finally, the department has a new mandate to facilitate and co-ordinate rural development in partnership with the national Department of Rural Development and Land Reform, as well as provincial sister departments. In practical terms, this will be achieved *via* the establishment of District Land and Agriculture Committees which will be responsible for identifying and overseeing the development of land reform farms, agricultural projects and rural infrastructure. These district structures will, in turn, report to provincial and national structures responsible for rural development and the facilitation of socio-economic development in rural areas.

Administration

The department revisited its organisational structure in 2014/15, following the pronouncement of the new departmental mandate of Agriculture and Rural Development. The focus will be to ensure that the department has an enabling organisational structure that will allow for effective implementation of its mandate. It is envisaged that this revised structure will be implemented during 2015/16.

Mjindi Farming (Pty) Ltd (Mjindi)

The rehabilitation of the irrigation infrastructure will remain a priority for Mjindi, to ensure that farmers receive an efficient uninterrupted supply of water. In the 2015/16 MTEF, Mjindi will continue to install bulk water meters to measure the actual water usage by the farmers. This will assist in negotiations with the Department of Water Affairs and Agriculture, Fisheries and Forestry, to be charged only for water that is used by the farmers. Mjindi will continue to engage stakeholders to ensure that all fallow lands are rehabilitated and reclaimed back to production. Mjindi also plans to provide mechanisation services to assist farmers to prepare their land and plant on time. These services will be charged at nominal rates.

Mjindi will commence the automation of pump stations through the installation of variable speed drives. This will not only ensure efficient supply of water but will also save electricity costs paid to Eskom. Mjindi will also install the remaining in-field water meters. This will allow Mjindi to start charging farmers for actual water used, as opposed to the flat rate system being used currently. Mjindi will issue the remaining 50 per cent of irrigation pipes to the farmers in 2015/16.

The seedling nursery and input store are expected to start operations in 2015/16. The process of appointing a seasoned service provider to set up the nursery business, train staff and provide mentorship in seedling nursery management for a period of two years has been completed. Once the facilities become operational, the farmers' time will be saved and crop production costs are expected to decline.

Mjindi continues to experience theft of irrigation infrastructure and, therefore, will continue to engage *Amakhosi*, farmers, SAPS, community leaders, and DARD in fighting theft in the irrigation scheme. The entity will continue to employ the services of armed security at offices and pump stations.

Agri-business Development Agency (ADA)

ADA has reviewed its mandate and aims to further develop and transform agri-business. In promoting agri-business development in KZN, ADA will employ strategies to foster networking relationships between agri-business entrepreneurs and farmers. ADA will continue to build on farmers' abilities.

The new strategy is currently being finalised between ADA and DARD, and will be refined over the MTEF. It recognises that human capital development and strengthening the social capital base are crucial to building a cadre of black entrepreneurs that can lead to viable agri-business enterprises. ADA will continue to provide physical infrastructure and inputs to the farms. ADA will also focus on the unlocking of opportunities in the agricultural value chain and facilitating access to markets. The entity will have to assume a leadership role in lobbying, research, policy and advocacy to change the agri-business landscape, and at improving value chain competitiveness in key high potential subsectors of agri-business, through institutional reforms, investments, incentives and market linkages, etc.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 3.1 indicates the sources of funding for Vote 3 for the period 2011/12 to 2017/18. The department will receive a budget of R2.203 billion for 2015/16, including conditional grants of R308.525 million made up of the Land Care Programme Grant: Poverty Relief and Infrastructure Development (henceforth called the Land Care) grant, the CASP grant and the Ilima/Letsema Projects grant, details of which are provided in Section 5.4 below. It is noted that the allocation for the EPWP Integrated Grant for Provinces ends in 2015/16 since this grant is allocated on an annual basis, dependent on the prior year's actual performance by the department.

Table 3.1 : Summary of receipts and financing

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Equitable share | 1 555 166 | 1 725 134 | 1 735 957 | 1 805 380 | 1 810 400 | 1 810 400 | 1 884 349 | 1 985 300 | 2 084 464 |
| Conditional grants | 233 935 | 262 968 | 287 036 | 296 760 | 296 760 | 296 760 | 308 525 | 305 377 | 324 991 |
| Land Care Programme grant | 9 244 | 16 242 | 18 746 | 10 854 | 10 854 | 10 854 | 10 666 | 11 157 | 11 812 |
| Comprehensive Agricultural Support Programme grant | 164 691 | 183 726 | 202 522 | 212 632 | 212 632 | 212 632 | 226 161 | 230 344 | 245 823 |
| Ilima/Letsema Projects grant | 60 000 | 63 000 | 65 768 | 69 093 | 69 093 | 69 093 | 69 402 | 63 876 | 67 356 |
| EPWP Integrated Grant for Provinces | - | - | - | 4 181 | 4 181 | 4 181 | 2 296 | - | - |
| Total receipts | 1 789 101 | 1 988 102 | 2 022 993 | 2 102 140 | 2 107 160 | 2 107 160 | 2 192 874 | 2 290 677 | 2 409 455 |
| Total payments | 1 782 966 | 2 109 591 | 2 005 528 | 2 133 126 | 2 169 946 | 2 169 946 | 2 203 074 | 2 290 677 | 2 409 455 |
| Surplus/(Deficit) before financing | 6 135 | (121 489) | 17 465 | (30 986) | (62 786) | (62 786) | (10 200) | - | - |
| Financing | | | | | | | | | |
| of which | | | | | | | | | |
| Provincial roll-overs | 476 | 5 610 | - | - | 31 800 | 31 800 | - | - | - |
| Provincial cash resources | - | 116 825 | 21 000 | 30 986 | 30 986 | 30 986 | 10 200 | - | - |
| Surplus/(Deficit) after financing | 6 611 | 946 | 38 465 | - | - | - | - | - | - |

The table shows that, in 2011/12 and 2012/13, the department marginally under-spent its budget allocation by R6.611 million and R946 000, respectively. The 2011/12 surplus of R6.611 million was mainly in respect of delays in a transfer payment to the Pmb SPCA in respect of the KZN Outreach programme. The roll-over of R476 000 from 2010/11 to 2011/12 was in respect of the Land Care grant.

The unspent amounts in respect of the KZN Outreach programme and the Land Care grant were rolled over to 2012/13, accounting for the roll-over of R5.610 million in 2012/13. The provincial cash resources of R116.825 million comprised additional funding allocated as follows:

- R18.426 million allocated for the higher than anticipated 2012 wage agreement.
- R20 million to assist with spending pressures resulting from the outbreak of rabies in the province.
- R30 million toward the further development of the Makhathini area in line with the Makhathini Integrated Master Development Plan (IMDP), to enable the department to accelerate the completion of projects in terms of the master plan, such as repairs to drainage canals, infield sub-surface drainage, electrical and mechanical repairs, etc.
- R25 million to enable the department to fast-track the provision of stock watering dams, which forms a crucial part of the department's livestock intervention programme.
- R23.399 million to assist Mjindi with repairs to the Mjindi irrigation scheme, such as the replacement of pumps and valves at pump stations, repairing of pump motors, etc.

The budget was slightly under-spent by R946 000, mainly caused by under-spending on the Land Care grant, largely due to delays in the procurement of fencing for land care projects, and also the procurement of supplies for the nurseries which form part of the land care awareness programme. The fencing material was delivered and paid for by 31 March 2013, but there was insufficient time to install the fencing. As such, the funding for the payment of stipends for the installation using the EPWP principles was not spent.

In 2013/14, provincial cash resources of R21 million were allocated as follows:

- R20 million toward the further development of the Makhathini area, being the carry-through of the amounts allocated in 2012/13.

- R1 million to fund Operation *Sukuma Sakhe* (OSS) initiatives, as identified by the MEC. The funds were used at the MEC's discretion, aimed at improving the daily lives of the people of this province.

The under-expenditure of R38.465 million in 2013/14 relates mainly to:

- R23 million for the liming programme under the Ilima/Letsema Projects grant due to delays in the procurement and delivery of the lime and fertilizer required. However, orders were issued but delivery could not be finalised before 31 March 2014.
- R8.847 million for the provision of sheds for the mechanisation programme.
- R4.436 million relates to vehicles ordered but not delivered and paid for before year-end.
- R750 000 in respect of Zakhe Agricultural College. This transfer relates to a one-year partnership, whereby the department committed R1 million towards improving the facilities at the college. At the time of finalising the agreement, the department made provision for transfer of R1 million in 2013/14 as it was not certain at what rate the implementation would take place. However, Zakhe Agricultural College could only utilise R250 000 during the year, resulting in the under-spending of R750 000.

The roll-over of R31.800 million in 2014/15 comprises R23 million in respect of the liming programme under the Ilima/Letsema Projects grant, and provision of sheds of R8.800 million, which commenced in 2013/14 as indicated above.

In 2014/15, provincial cash resources of R30.986 million were allocated for the following, among others:

- R8.500 million to provide for sheds in various districts for the department's mechanisation equipment (tractors and implements). This amount has subsequently been diverted towards rural development initiatives and provision of other infrastructure such as irrigation and fencing due to the decision to review the mechanisation programmes and reassess whether such sheds will still be required.
- R10.200 million for the livestock identification programme.
- R12.286 million to Mjindi for irrigation equipment for the Makhathini irrigation scheme.

The equitable share over the 2015/16 MTEF shows slow but steady growth. In 2015/16, the department receives a once-off allocation of R10.200 million reflected against provincial cash resources for assistance in the form of livestock fodder for the farmers affected by the veld fires disaster in 2014 in the Harry Gwala District. This funding was made available late in 2014/15, however, considering the procurement process, it was deemed financially prudent to only allocate the funding in 2015/16. The conditional grant funding, on the other hand, shows a decrease in 2016/17 in respect of Land Care and EPWP Integrated Grant for Provinces, and a minimal increase on the Ilima/Letsema Projects grant. CASP is the only grant that shows consistent year-on-year growth over the MTEF period. It must be noted the conditional grants were also affected by the fiscal consolidation cuts in 2015/16 and 2016/17.

4.2 Departmental receipts collection

The estimated departmental receipts for Vote 3 are reflected in Table 3.2 below. Further details are provided in *Annexure – Vote 3: Agriculture and Rural Development*.

Table 3.2 : Summary of departmental receipts collection

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 13 965 | 14 820 | 15 709 | 16 981 | 16 981 | 17 645 | 19 771 | 20 884 | 22 086 |
| Transfers received | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | 44 | 26 | 224 | 20 | 20 | 177 | 21 | 22 | 23 |
| Sale of capital assets | 5 218 | 2 730 | 138 | 3 801 | 3 801 | 9 099 | 3 000 | 3 300 | 3 630 |
| Transactions in financial assets and liabilities | 1 289 | 1 800 | 1 811 | 500 | 500 | 665 | 500 | 526 | 560 |
| Total | 20 516 | 19 376 | 17 882 | 21 302 | 21 302 | 27 586 | 23 292 | 24 732 | 26 299 |

Sale of goods and services other than capital assets is the main source of revenue for the department. This category comprises student fees at Cedara Agricultural College (Cedara) and Owen Sithole College of Agriculture (OSCA), as well as soil and veterinary analytical services offered at the department's laboratories. The fluctuations over the seven-year period are largely driven by demand, which is difficult to predict. The growth over the MTEF relates to inflationary increments.

The revenue collected against *Interest, dividends and rent on land* mainly relates to interest charged on staff debts. The high revenue reflected in 2013/14 and the 2014/15 Revised Estimate includes the number of debts paid-off, which resulted in additional interest being recognised as revenue. Also, the high revenue collected in 2013/14 relates to the interest accrued from over-payments to suppliers. It is difficult to budget for this category, hence the department's projections are conservative over the MTEF.

The fluctuations against *Sale of capital assets* can be ascribed to the sale of redundant assets such as the sale of farming equipment, vehicles, etc. The high collection in the 2014/15 Revised Estimate is due to an auction which took place in March 2014, but revenue was only received in April 2014. The decrease over the MTEF is due to the correction of revenue which relates to minor assets that should have been recorded under *Sale of goods and services other than capital assets*. Also, the fluctuations relate to the nature of items auctioned, as well as the demand at the time.

Revenue collected against *Transactions in financial assets and liabilities* comprises staff debts recovered, such as breach of bursary contracts, salary over-payments, etc. The increase 2011/12 to 2012/13 was mainly due to the higher than anticipated revenue from staff debts. In 2013/14, a reimbursement from an insurance company for subsidised vehicles in respect of over-payments was received. Growth over the MTEF is due to inflationary increments *albeit* from a lower level. This category is difficult to project accurately, and this explains the conservative growth over the MTEF.

4.3 Donor funding

Tables 3.3 and 3.4 below reflect information relating to donor funding that the department receives.

In 2012/13, the department had agreements with the Flemish government (Flanders) and the World Health Organisation (WHO). Only the WHO projects continue over the 2015/16 MTEF, *albeit* only for one year, as explained below.

Table 3.3 : Details of donor funding

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Donor funding | 1 315 | 1 805 | 2 291 | 2 984 | 2 984 | 2 482 | - | - | - |
| Danish government (Danida) | - | - | - | - | - | - | - | - | - |
| Flemish government | - | - | - | - | - | - | - | - | - |
| World Health Organisation (Rabies project) | 1 315 | 1 805 | 2 291 | 2 984 | 2 984 | 2 482 | - | - | - |
| Total | 1 315 | 1 805 | 2 291 | 2 984 | 2 984 | 2 482 | - | - | - |

Table 3.4 : Details of payments and estimates of donor funding

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|-----------------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Donor funding | 20 772 | 2 701 | (16 968) | 2 984 | 2 984 | 1 430 | 2 874 | - | - |
| Danish government (Danida) | - | - | - | - | - | - | - | - | - |
| Dutch funding (NUFFIC) | - | - | - | - | - | - | - | - | - |
| Flemish government | 20 064 | - | (18 027) | - | - | - | - | - | - |
| World Health Organisation (Rabies project) | 708 | 2 701 | 1 059 | 2 984 | 2 984 | 1 430 | 2 874 | - | - |
| Total | 20 772 | 2 701 | (16 968) | 2 984 | 2 984 | 1 430 | 2 874 | - | - |

The Flemish government co-funded two programmes with the department, namely the Sustainable Natural Resource Management programme, which ended in 2009/10 (not evident in the tables), and the Empowerment for Food Security programme, which was a five-year programme ending in 2011/12. This programme was aimed at improving livelihoods for poor families through improved food security. The focus was on increased integration with other role-players, in order to ensure a collective effort in reducing food insecurity and increasing food production in KZN. The total funding for the five-year period was

7.500 million euro, which was to be received in five tranches of 1.500 million euro. Implementation commenced slowly at inception and was always behind schedule. At the closure of the programme, the department had only received three tranches of 1.500 million euro, which amounted to R45.338 million. The donor indicated that they were not extending the funding period and, therefore, tranches 4 and 5 were not transferred despite the fact that the department had pre-financed the projects with R18.027 million, which is part of the R20.064 million expenditure under 2011/12. National Treasury indicated that the programme was officially closed by the donor and that they would not be able to assist in engaging with the donor to reconsider their decision to end the funding after the first three tranches. The pre-financing amount was, therefore, funded from the department's own funding during 2013/14 and is reflected as a negative amount in the above table.

The agreement with WHO provides funding over five years from 2009/10, aimed at human rabies prevention through dog rabies control and eventual elimination in KZN. This funding was made available by the Bill and Melinda Gates Foundation. The final transfer is expected in the last quarter of 2014/15 and funds will be spent by December 2015, when the programme comes to an end.

5. Payment summary

Section 5 reflects payments and budgeted estimates in terms of programmes and economic classification. Details are given in *Annexure – Vote 3: Agriculture and Rural Development*.

5.1 Key assumptions

The following general assumptions were made by the department in formulating the 2015/16 budget:

- National Treasury imposed fiscal consolidation cuts on the equitable share and conditional grant allocations of provinces for 2015/16 and 2016/17. In KZN, the bulk of the equitable share cut is absorbed by reducing the Contingency Reserve, stopping of the Strategic Cabinet Initiatives Fund, etc. As part of the fiscal consolidation, National Treasury has not provided any funding for the carry-through costs of the 2014 wage agreement, and the department therefore had to fund these by internal reprioritisation and lowering growth of non-essential item budgets.
- All inflation related increases are based on CPI projections.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2014/15, will continue to be adhered to over the 2015/16 MTEF, in conjunction with National Treasury Instruction 01 of 2013/14: Cost-containment measures. The provincial cost-cutting measures have been updated to include those that were adopted by the Committee of Heads of Departments (COHODs) in December 2014.
- Provision was made for an inflationary wage adjustment of 5.6, 5.5 and 5 per cent for each of the three years of the 2015/16 MTEF, respectively. The department also provided for the 1.5 per cent pay progression.
- Provision was made for the filling of vacant posts in terms of the revised organisational structure, taking into account the moratorium on the filling of non-critical vacant posts.
- As mentioned, the department has been given the Rural Development function, which is an unfunded mandate, and the department will continue to reprioritise in-year within its baseline to fund this function.

5.2 Additional allocations for the 2013/14 to 2015/16 MTEF

Table 3.5 shows additional funding received by the department over the three MTEF periods: 2013/14, 2014/15 and 2015/16. Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants.

The purpose of such a table is two-fold. Firstly, it shows the quantum of additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated.

The carry-through allocations for the 2013/14 and 2014/15 MTEF periods (i.e. for the financial year 2017/18) are based on the incremental percentage used in the 2015/16 MTEF.

Table 3.5 : Summary of additional provincial allocations for the 2013/14 to 2015/16 MTEF

| R thousand | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|---|----------------|-----------------|-----------------|-----------------|-----------------|
| 2013/14 MTEF period | (6 874) | (55 428) | (68 759) | (71 922) | (75 518) |
| Census data update and 1%, 2% and 3% baseline cuts | (26 874) | (55 428) | (68 759) | (71 922) | (75 518) |
| Makhathini development | 20 000 | - | - | - | - |
| 2014/15 MTEF period | | 61 135 | 36 710 | 40 001 | 42 001 |
| Provision of sheds for dept's tractors in districts | | 8 500 | - | - | - |
| Livestock identification (RFID) | | 10 200 | - | - | - |
| Mjindi - irrigation equipment for Makhathini irrigation scheme | | 12 286 | - | - | - |
| Function shift: ADA from DEDTEA | | 39 945 | 41 571 | 43 774 | 45 963 |
| Carry-through of previous wage agreements - DARD | | 6 195 | 11 962 | 13 823 | 14 514 |
| Centralisation of communications budget under OTP | | (9 568) | (10 104) | (10 568) | (11 096) |
| Centralisation of external bursaries budget under OTP | | (6 423) | (6 719) | (7 028) | (7 379) |
| 2015/16 MTEF period | | | 12 292 | 2 076 | 2 079 |
| Correction of DARD communications budget | | | 6 729 | 7 065 | 7 418 |
| Correction of DARD bursaries budget | | | 1 889 | 1 957 | 2 055 |
| Disaster funding - Harry Gwala District veld fires in June 2014 | | | 10 200 | - | - |
| Remainder of Environmental Affairs function shift to DEDTEA | | | (11 356) | (12 017) | (12 719) |
| Decentralisation of bursaries budget | | | 4 830 | 5 071 | 5 325 |
| Total | (6 874) | 5 707 | (19 757) | (29 845) | (31 438) |

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

In the 2014/15 MTEF, additional funds were allocated, in 2014/15 only, toward provision of sheds for the department's tractors in districts, livestock identification (Radio Frequency Identification or RFID), and irrigation equipment for the Makhathini irrigation scheme. Also in the 2014/15 MTEF, additional funds with carry-through were allocated for the function shift of ADA from the Department of Economic Development, Tourism and Environmental Affairs (DEDTEA) to the department, and carry-through costs of previous wage agreements. Offsetting this growth, was the centralisation of parts of the communications and external bursaries budgets under Office of the Premier (OTP).

In the 2015/16 MTEF, the only change to the previous MTEF baseline has been the adjustments for the following function shifts:

- Remainder of Environmental Affairs to DEDTEA. The bulk of this happened in the *Explanatory Memorandum to the 2014/15 EPRE*. However, the administrative support for the Environmental Affairs function was only finalised after the *Explanatory Memorandum* and was effected in the 2014/15 Adjustments Estimate.
- Decentralisation of external bursaries budget from OTP and correction of the amount previously suspended for the centralisation of the bursaries and parts of communications budget.

5.3 Summary by programme and economic classification

The department's budget structure largely conforms to the uniform programme structure prescribed for the Agriculture and Rural Development sector, which was revised in 2014.

The department has opted to utilise three programmes, namely Administration, which comprises the support services budget, and the two core functions are housed under two separate programmes, Agriculture and Rural Development. The latter is only activated from 2015/16 onwards and provides for rural development co-ordination and social facilitation in KZN.

The bulk of the department's budget allocation is for Agriculture (crop production, livestock farming, natural resources use and management, extension, and land care and agricultural research), Veterinary

Services (animal disease control, prevention of zoonotic diseases, inspection services, and primary health care services), as well as Rural Development (co-ordination and social facilitation).

The department also receives conditional grants from National Treasury, as well as makes transfers to its two public entities, ADA and Mjindi.

Programme 2 provides the sector information by sub-programme and sub-sub-programme, because of the level of detail required by the sector in respect of Agriculture. The programme structure and the proposed organisational structure are closely aligned, which enhances financial controls within the programmes and the vote as a whole. The department will review this use of sub-sub-programmes going forward, though.

Tables 3.6 and 3.7 reflect a summary per programme and per economic classification for the vote, details of which are given in *Annexure – Vote 3: Agriculture and Rural Development*.

Table 3.6 : Summary of payments and estimates by programme: Agriculture and Rural Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 255 342 | 333 269 | 320 208 | 329 191 | 334 211 | 334 211 | 407 830 | 420 680 | 441 972 |
| 2. Agriculture | 1 527 624 | 1 776 322 | 1 685 320 | 1 803 935 | 1 835 735 | 1 835 735 | 1 776 283 | 1 850 032 | 1 946 520 |
| 3. Rural Development | - | - | - | - | - | - | 18 961 | 19 965 | 20 963 |
| Total | 1 782 966 | 2 109 591 | 2 005 528 | 2 133 126 | 2 169 946 | 2 169 946 | 2 203 074 | 2 290 677 | 2 409 455 |

Table 3.7 : Summary of payments and estimates by economic classification: Agriculture and Rural Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 1 349 637 | 1 636 620 | 1 657 712 | 1 759 836 | 1 801 711 | 1 801 711 | 1 829 246 | 1 904 398 | 2 005 588 |
| Compensation of employees | 711 672 | 761 872 | 832 928 | 887 517 | 870 178 | 870 178 | 964 988 | 1 030 428 | 1 099 634 |
| Goods and services | 637 911 | 874 721 | 824 673 | 872 319 | 931 533 | 931 533 | 864 258 | 873 970 | 905 954 |
| Interest and rent on land | 54 | 27 | 111 | - | - | - | - | - | - |
| Transfers and subsidies to: | 191 208 | 234 383 | 167 945 | 178 412 | 192 657 | 192 657 | 185 514 | 194 122 | 204 178 |
| Provinces and municipalities | 648 | 1 207 | 869 | 533 | 788 | 788 | 1 260 | 1 325 | 1 390 |
| Departmental agencies and accounts | 126 761 | 140 734 | 101 152 | 106 410 | 110 771 | 110 771 | 123 119 | 128 397 | 134 948 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 47 561 | 71 008 | 55 243 | 65 252 | 67 252 | 67 252 | 54 809 | 57 739 | 60 826 |
| Non-profit institutions | 4 905 | 10 291 | 250 | - | 6 050 | 6 050 | - | - | - |
| Households | 11 333 | 11 143 | 10 431 | 6 217 | 7 796 | 7 796 | 6 326 | 6 661 | 7 014 |
| Payments for capital assets | 241 699 | 238 588 | 178 798 | 194 878 | 175 578 | 175 578 | 188 314 | 192 157 | 199 689 |
| Buildings and other fixed structures | 96 623 | 155 083 | 133 464 | 140 687 | 121 387 | 121 387 | 115 444 | 121 751 | 126 291 |
| Machinery and equipment | 137 479 | 73 308 | 44 817 | 53 092 | 53 092 | 53 092 | 72 029 | 69 522 | 72 224 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | 7 354 | 9 542 | 474 | 586 | 586 | 586 | 606 | 636 | 668 |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 243 | 655 | 43 | 513 | 513 | 513 | 235 | 248 | 506 |
| Payments for financial assets | 422 | - | 1 073 | - | - | - | - | - | - |
| Total | 1 782 966 | 2 109 591 | 2 005 528 | 2 133 126 | 2 169 946 | 2 169 946 | 2 203 074 | 2 290 677 | 2 409 455 |

With regard to Programme 1: Administration, the actual spending fluctuates between 2011/12 and 2013/14 and then stabilises with a steady increase from 2014/15 onwards. The high expenditure in 2012/13 is mainly due to additional new and replacement vehicles acquired, as well as progress made in the implementation of the infrastructure projects for office accommodation by the Department of Public Works (DOPW) during that year. The decline in 2013/14 is due to some of the vehicles ordered only being received and paid for in 2014/15, as well as the fact that the external bursaries and parts of the communications budget were centralised under the OTP. The centralisation of external bursaries has been reversed from 2015/16 onwards. The increase in the 2014/15 Adjusted Appropriation is due to the correction of the amount suspended to OTP for the communications budget. At the time, the entire marketing budget was transferred, whereas it should only have been a portion thereof. The increase in 2015/16 is mainly in respect of the provision for the filling of critical vacant positions and associated costs, as well as the replacement of the main server at Cedara, which is once-off in 2015/16.

Programme 2: Agriculture shows fluctuations in trends up to 2015/16, whereafter there is steady growth over the outer years. The high expenditure in 2012/13 is due to once-off funding for the control of the outbreak of rabies, development of the Makhathini area, provision of stock watering facilities and irrigation equipment for Mjindi. The increase in the 2014/15 Adjusted Appropriation is in respect of the roll-over of R23 million for the liming programme under the Ilima/Letsema Projects grant, and R8.500 million for the provision of sheds. The decrease in 2015/16 is due to the reprioritisation of funds from the assistant extension officer programme, which is being discontinued due to a change in departmental policy direction. This goes toward funding the rural development function under Programme 3: Rural Development. In 2015/16, the department receives a once-off disaster allocation of R10.200 million for assistance in the form of livestock fodder for the farmers affected by veld fires in 2014 in the Harry Gwala District. This funding was made available late in 2014/15, however, considering the procurement process, it was deemed financially prudent to only allocate the funding in 2015/16. Programme 2's budget shows steady growth over the 2015/16 MTEF.

Programme 3: Rural Development is a new programme commencing in 2015/16 and provides some funding for *Compensation of employees* and related expenditure to perform the rural development co-ordination and social facilitation functions for the province. This function was transferred from the OTP in 2014 without any funding or personnel. The department reprioritised funding to the extent of providing for 49 posts and running costs for the rural co-ordination and social facilitation components, and this will be reviewed in-year.

Compensation of employees shows a steady increase over the period. The increase from 2011/12 and the 2014/15 Main Appropriation is mainly to provide for the annual wage adjustments and the carry-through costs. The decrease in the 2014/15 Adjusted Appropriation relates to funds reprioritised out of this category, due to delays in filling vacant posts. The 2015/16 MTEF provides for annual wage agreements, as well as the filling of vacant posts in terms of the department's revised organisational structure (which is expected to be finalised by 1 April 2015), which includes 49 posts for the rural development function. This will be undertaken in line with the moratorium on the filling of non-critical vacant posts.

The fluctuations between 2011/12 and 2013/14 against *Goods and services* are in respect of various once-off amounts, as mentioned under Programme 2. The increase in the 2014/15 Adjusted Appropriation is in respect of the roll-over of funds for the liming programme and the provision of sheds. This item shows no growth between the 2014/15 Main Appropriation and the 2015/16 allocation due to funds being shifted to *Transfers and subsidies to: Departmental agencies and accounts* for transfer to ADA in respect of projects to be implemented by the entity over the 2015/16 MTEF. The project list was approved in 2014/15 with allocations for 2015/16 and 2016/17, and includes projects such as the establishment of poultry, piggery and dairy structures, sugar cane replanting, fencing, crop production and essential oils. The reprioritisation of funds from the assistant extension officer programme to rural development also affected this category, mainly accounting for the significant decrease against *Goods and services*. The decrease has been slightly offset by the once-off allocation of R10.200 million for disaster relief for the 2014 veld fires in the Harry Gwala District, as mentioned earlier.

Transfers and subsidies to: Provinces and municipalities relates to the payment of motor vehicle licences, and the increase over the MTEF is aligned to the number of vehicles and tractors in the department.

The growth in *Transfers and subsidies to: Departmental agencies and accounts* relates mainly to the transfers made to ADA. The funding for ADA is for the operational costs of the entity, as well as specific livestock, sugar cane and citrus and crop production projects such as provision of dairy, poultry and piggery structure, fencing, ratoon management and vegetable tunnels. The slight increase in the 2014/15 Adjusted Appropriation relates to funding provided to Ntingwe Tea Estate, via Ithala Development Finance Corporation (Ithala) to augment the shortfall on wages during the off-season. This was once-off assistance during 2014/15.

Transfers and subsidies to: Public corporations and private enterprises comprise transfers to several entities, the main one being Mjindi. The fluctuations between 2012/13 to 2014/15 are largely due to once-off allocations to Mjindi for repairs to the irrigation scheme and acquisition of farming equipment. During 2013/14, the department provided funding of R6 million for People's Bio Oil (Pty) Ltd in respect of the Moringa Project, which was introduced during the year, and completed in 2014/15 with a further transfer

of R2 million. The 2014/15 allocation includes a once-off amount of R12.286 million for the irrigation scheme at Mjindi, hence the decrease in 2015/16, and then the inflationary increase in 2016/17. Also included in the MTEF allocations are ongoing transfers to the SA Sugarcane Research Institute, the soil conservation subsidy and agricultural show societies, as explained in Section 5.8 below.

Transfers and subsidies to: Non-profit institutions is largely in respect of the KZN Outreach programme where the department had a partnership with the Pmb SPCA, commencing in 2011/12 and continuing in 2012/13. This partnership ended in 2013/14 after all funds transferred were exhausted. The department entered into a similar partnership with the Animal Anti-Cruelty League (AACL) in 2014/15, hence the increase in the 2014/15 Adjusted Appropriation. The R250 000 transferred in 2013/14 relates to funding to the Zakhe Agricultural College, to assist in improving the training facilities for the students, as mentioned previously. All the current funding agreements with non-profit institutions end in 2014/15 and, therefore, there is no provision over the MTEF period at this stage.

Transfers and subsidies to: Households caters for staff exit costs.

Buildings and other fixed structures shows a sharp increase in 2012/13 following the once-off amounts of R20 million for the development of the Makhathini area and R25 million for the stock-watering dams in districts. The decrease from the 2014/15 Main to Adjusted Appropriation is in respect of redirecting the ring-fenced allocations for the provision of sheds toward rural development and other priority areas, as the department is reconsidering the manner in which the mechanisation services are to be provided in future. The department will continue with the development of the Makhathini area through extension of and refurbishment of the irrigation scheme. Also, the department will be providing infrastructure such as irrigation schemes, fencing, poultry and piggeries throughout the province.

Machinery and equipment shows high expenditure in 2011/12 due to the reprioritisation of funds from *Compensation of employees* and *Goods and services* to fund additional tractors and implements for the mechanisation programme. The decrease from 2012/13 to 2013/14 is due to the department not acquiring additional tractors and implements in line with a decision taken by the department to take stock of the current mechanisation fleet, to ensure optimal utilisation thereof before further purchases were made, and therefore no additional tractors and implements were acquired in 2012/13. The department increased the number of vehicles that needed to be replaced in the vehicle fleet to address the shortage of vehicles. The increase in 2015/16 is in respect of replacing the aging main server at Cedara, which is estimated at R10 million. This once-off expenditure explains the slight decline in 2016/17.

Biological assets is high in 2011/12 and 2012/13, to make provision for the department's Nguni breed initiative, aimed at revitalising the Nguni breed in KZN. This explains the reduction in 2013/14, 2014/15 and over the 2015/16 MTEF, where the allocation is mainly for animal research and training at the agricultural colleges.

Software and other intangible assets spending is inconsistent as it makes provision for software upgrades as and when required.

Payments for financial assets reflects expenditure in 2011/12 and 2013/14 only, and this relates to approved write-off of thefts and losses.

5.4 Summary of conditional grant payments and estimates

Tables 3.8 and 3.9 illustrate conditional grant payments and estimates from 2011/12 to 2017/18. Further details are given in *Annexure – Vote 3: Agriculture and Rural Development*.

Note that the conditional grant figures reflected in Table 3.1 for the period 2011/12 to 2017/18 indicate the actual receipts for each grant, as well as other technical adjustments, and therefore should not be compared to the figures reflected in Table 3.8 below, which show the actual expenditure and estimates.

Table 3.8 : Summary of conditional grants payments and estimates by name

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Land Care grant | 9 015 | 16 046 | 18 746 | 10 854 | 10 854 | 10 854 | 10 666 | 11 157 | 11 812 |
| CASP | 164 691 | 183 726 | 202 522 | 212 632 | 212 632 | 212 632 | 226 161 | 230 344 | 245 823 |
| Ilima/Letsema Projects grant | 60 000 | 63 000 | 42 768 | 69 093 | 92 093 | 92 093 | 69 402 | 63 876 | 67 356 |
| EPWP Integrated Grant for Provinces | 8 316 | 9 708 | 550 | 4 181 | 4 181 | 4 181 | 2 296 | - | - |
| Total | 242 022 | 272 480 | 264 586 | 296 760 | 319 760 | 319 760 | 308 525 | 305 377 | 324 991 |

Table 3.9 : Summary of conditional grants payments and estimates by economic classification

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 111 681 | 142 781 | 150 450 | 207 005 | 229 930 | 229 930 | 210 829 | 208 644 | 221 310 |
| Compensation of employees | - | - | 10 745 | 15 703 | 15 703 | 15 703 | 16 000 | 17 040 | 18 148 |
| Goods and services | 111 681 | 142 781 | 139 705 | 191 302 | 214 227 | 214 227 | 194 829 | 191 604 | 203 162 |
| Other | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 100 761 | 65 760 | 63 000 | 66 465 | 66 465 | 66 465 | 81 548 | 84 623 | 88 854 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 100 761 | 65 760 | 63 000 | 66 465 | 66 465 | 66 465 | 81 548 | 84 623 | 88 854 |
| Higher Education Institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 29 580 | 63 939 | 51 136 | 23 290 | 23 365 | 23 365 | 16 148 | 12 110 | 14 827 |
| Buildings and other fixed structures | 17 230 | 50 289 | 41 795 | 15 285 | 15 285 | 15 285 | 6 729 | 4 599 | 6 869 |
| Machinery and equipment | 12 350 | 13 563 | 9 257 | 8 005 | 8 080 | 8 080 | 9 419 | 7 511 | 7 958 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | 87 | 84 | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 242 022 | 272 480 | 264 586 | 296 760 | 319 760 | 319 760 | 308 525 | 305 377 | 324 991 |

The department is responsible for the following four national conditional grants:

- The Land Care grant is aimed at optimising the sustainable use of natural resources to ensure greater productivity, food security, job creation, and better quality of life for all. The 2011/12 amount includes a roll-over of R476 000 from 2010/11, relating to the completion of an irrigation scheme in Zululand which was delayed due to late delivery by the service provider. The 2012/13 amount includes a roll-over of R705 000 from 2011/12. Again, the supplier was unable to deliver fencing supplies before year-end. The significant increase in 2012/13 and 2013/14 is in respect of additional funding for fencing, which ends in 2013/14, hence the drop in 2014/15. The allocation decreases slightly in 2015/16, due to the fiscal consolidation cuts, before increasing slightly over the MTEF.
- CASP is aimed at enhancing the capacity of the Agriculture sector by providing support to beneficiaries of land and agrarian reform programmes. This programme also focuses on the revival of agricultural extension services. This grant increases steadily from 2011/12 onward, continuing over the 2015/16 MTEF. It must be noted that, with effect from 2010/11, the department commenced transferring a portion of CASP funding to ADA, who assists the department to implement land reform projects. Also, as from 2013/14, the grant framework required that 70 per cent of the grant funding be allocated toward grain production. This change of grant utilisation is to ensure that there is an increase in food production throughout the country. In KZN, the funds were utilised for the mechanisation programme, where the department provides production inputs (mainly maize and beans), as well as mechanisation services. The 2015/16 MTEF grows steadily, as a result of the inclusion of disaster management funds to cater for agriculture infrastructure disasters, which offsets the fiscal consolidation cuts.
- The Ilima/Letsema Projects grant, which falls under the Ilima/Letsema campaign driven by the national Department of Agriculture, Forestry and Fisheries, is aimed at unlocking the potential of currently 'dead' land and other assets, particularly in communal areas. In KZN, this grant is utilised

for various projects, including the food security and mechanisation programme and the Makhathini development project. The low expenditure in 2013/14 is due to the liming programme that was delayed by prolonged procurement processes and resulted in R23 million not being spent. However, this amount was rolled over to 2014/15 and was included in the 2014/15 Adjusted Appropriation. Apart from this fluctuation and a decrease in the 2015/16 allocation, the grant fluctuates over the seven-year period, including the decrease in the 2015/16 MTEF as a result of fiscal consolidation cuts. As with the CASP grant, 70 per cent of the grant has to be allocated toward grain production from 2013/14 onward.

- The department received funds for the EPWP Integrated Grant for Provinces for the first time in 2014/15, with further funding in 2015/16. The grant allocation is based on the number of EPWP jobs created in the previous year and therefore allocations are for one year only and not over the MTEF period, hence no allocation in 2016/17 and 2017/18. This grant is used to fund the department's land care programme.

The allocation by economic classification shows that the bulk of grant funding is allocated under *Goods and services* in line with the 70 per cent funding for crop production through mechanisation services. As mentioned, a portion of the CASP allocation is transferred to ADA and is reflected under *Transfers and subsidies to: Departmental agencies and accounts*. The expenditure against *Buildings and other fixed structures* is mainly in respect of the Makhathini development, as well as agricultural structures such as poultry houses and piggeries.

5.5 Summary of infrastructure payments and estimates

Table 3.10 below illustrates infrastructure payments and estimates for the period 2011/12 to 2017/18. Further details of the department's infrastructure payments and estimates are presented in *Annexure – Vote 3: Agriculture and Rural Development*.

Table 3.10 : Summary of infrastructure payments and estimates by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Existing infrastructure assets | 66 795 | 81 617 | 88 101 | 105 405 | 94 605 | 94 605 | 100 725 | 98 944 | 103 231 |
| Maintenance and repair: Current | 13 725 | 21 639 | 22 829 | 24 199 | 24 199 | 24 199 | 25 312 | 26 654 | 28 067 |
| Upgrades and additions: Capital | - | - | - | - | - | - | - | - | - |
| Refurbishment and rehabilitation: Capital | 53 070 | 59 978 | 65 272 | 81 206 | 70 406 | 70 406 | 75 413 | 72 290 | 75 164 |
| New infrastructure assets: Capital | 43 553 | 95 105 | 68 192 | 59 481 | 50 981 | 50 981 | 40 031 | 49 461 | 51 127 |
| Infrastructure transfers | 8 259 | - | 6 000 | - | 2 000 | 2 000 | - | - | - |
| Infrastructure transfers: Current | 8 259 | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Capital | - | - | 6 000 | - | 2 000 | 2 000 | - | - | - |
| Infrastructure: Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure: Leases | - | - | - | - | - | - | - | - | - |
| Total | 118 607 | 176 722 | 162 293 | 164 886 | 147 586 | 147 586 | 140 756 | 148 405 | 154 358 |
| <i>Capital infrastructure</i> | <i>96 623</i> | <i>155 083</i> | <i>139 464</i> | <i>140 687</i> | <i>123 387</i> | <i>123 387</i> | <i>115 444</i> | <i>121 751</i> | <i>126 291</i> |
| <i>Current infrastructure</i> | <i>21 984</i> | <i>21 639</i> | <i>22 829</i> | <i>24 199</i> | <i>24 199</i> | <i>24 199</i> | <i>25 312</i> | <i>26 654</i> | <i>28 067</i> |

The department's infrastructure budget shows a fluctuating trend with the peak in 2012/13 attributed to the focus of providing a platform for provision of poultry houses and piggeries throughout the province reflected against *New infrastructure assets: Capital*.

Maintenance and repair: Current increases at a generally steady rate over the seven-year period and is in respect of maintenance for all the department's buildings, which is mostly outsourced to DOPW and forms part of the department's asset management plan.

The spending against existing infrastructure, consisting of *Maintenance and repairs: Current* and *Refurbishment and rehabilitation: Capital*, increases steadily over the MTEF with a slight dip in 2016/17 in respect of *Refurbishment and rehabilitation: Capital* as a result of the fiscal consolidation cuts.

New infrastructure assets: Capital fluctuates in prior years, partly due to the once-off additional funding received for Makhathini development and stock watering dams, as well as the high expenditure for creating platform for poultry and piggeries structures in 2012/13. The decrease in 2015/16 is due to the

reduction in the number of mushroom satellite bases from two to one per annum due to the high building costs of these bases.

The amount reflected against *Infrastructure transfers: Current* in 2011/12 was to enable Mjindi to buy irrigation pipes and new pumps, undertake repairs to centre pivots, etc. This was in addition to the transfers to Mjindi for operational costs.

The category *Infrastructure transfers: Capital* is for infrastructure requirements in respect of the Moringa project undertaken by People's Bio Oil (Pty) Ltd, as previously mentioned.

5.6 Summary of Public Private Partnerships – Nil

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

Table 3.11 shows transfers made by the department to public entities that are listed in terms of Schedule 3 of the PFMA. The financial summaries received from ADA and Mjindi are provided in *Annexure – Vote 3: Agriculture and Rural Development*.

Table 3.11 : Summary of departmental transfers to public entities

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Agri-business Development Agency | 126 761 | 140 734 | 101 152 | 106 410 | 106 410 | 106 410 | 123 119 | 128 397 | 134 948 |
| Ithala Development Finance Corporation | - | - | - | - | 4 361 | 4 361 | - | - | - |
| Mjindi Farming (Pty) Ltd | 46 681 | 68 399 | 46 607 | 60 816 | 60 816 | 60 816 | 50 506 | 53 183 | 56 001 |
| Total | 173 442 | 209 133 | 147 759 | 167 226 | 171 587 | 171 587 | 173 625 | 181 580 | 190 949 |

Agri-business Development Agency (ADA)

As from 2013/14, the oversight of the entity was shifted from DEDTEA to DARD in respect of the ADA Bill (historical figures have been adjusted for comparative purposes). The 2015/16 MTEF allocation is based on approved projects to be implemented by ADA, as well as the operational costs for the entity. In 2014/15, the department and entity agreed on a multi-year project approval list which depicted the projects and estimates for the three-year period from 2014/15 to 2016/17. The aim was to improve project implementation as the entity is now able to plan ahead. In prior years, there were year-on-year agreements which were only finalised after the start of the financial year. The projects implemented by ADA include fencing, establishment of infrastructure such as irrigation, dairy, poultry and piggery, as well as vegetable tunnels.

Ithala Development Finance Corporation (Ithala)

An amount of R4.361 million was allocated *via* Ithala to cater for a shortfall in salaries for a three-month period in respect of Ntingwe Tea Estate. DARD is the main shareholder in the Ntingwe Tea Estate through the significant funding that was provided for the establishment thereof in 2003. Ithala is a lesser shareholder, and provides the management oversight of the entity and has been providing additional funding over the last few years to assist the estate to meet its operational costs. The department uses Ithala as the vehicle to channel the funding to Ntingwe Tea Estate. The provincial government is considering the current funding proposal that has been requested by Ntingwe Tea Estate to turn-around the estate into a profitable entity. Until a final decision is taken, the department provided once-off funding to cater for the shortfall in wages.

Mjindi Farming (Pty) Ltd (Mjindi)

The high amounts from 2011/12 onward provided for increased operational costs to assist the newly reconstituted entity to become fully functional, as well as some funding for specific projects that the entity implemented such as the acquisition of irrigation and farming equipment. The fluctuations between 2012/13 and 2014/15 relate to additional once-off allocations to assist Mjindi with repairs to the irrigation scheme, as well as acquiring farming equipment. The allocation over the 2015/16 MTEF is for the operational costs and maintenance of existing infrastructure.

5.8 Transfers to other entities

Table 3.12 below indicates departmental transfers to other entities. The transfers fluctuate markedly over the seven years, as explained below the table.

Table 3.12 : Summary of departmental transfers to other entities

| R thousand | Sub-programme | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-----------------------------------|---------------------|-----------------|---------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Soil conservation subsidy | 2.1. Sust. Resource | - | 1 121 | 1 431 | 1 756 | 1 756 | 1 756 | 1 500 | 1 605 | 1 717 |
| Agricultural Show Societies | 2.2. Farmer Supp. | - | 19 | - | 1 201 | 1 201 | 1 201 | 1 256 | 1 310 | 1 379 |
| SA Sugarcane Research Institute | 2.2. Farmer Supp. | 880 | 1 439 | 1 197 | 1 479 | 1 479 | 1 479 | 1 547 | 1 641 | 1 729 |
| Pmb SPCA | 2.2. Farmer Supp. | 4 905 | 10 291 | - | - | - | - | - | - | - |
| People's Bio Oil | 2.2. Farmer Supp. | - | - | 6 000 | - | 2 000 | 2 000 | - | - | - |
| Zakhe Agricultural College | 2.2. Farmer Supp. | - | - | 250 | - | 750 | 750 | - | - | - |
| Animal Anti-Cruelty League (AACL) | 2.2. Farmer Supp. | - | - | - | - | 5 300 | 5 300 | - | - | - |
| Total | | 5 785 | 12 870 | 8 878 | 4 436 | 12 486 | 12 486 | 4 303 | 4 556 | 4 825 |

The soil conservation subsidy is a provision to business and farming enterprises for sub-surface drainage works, and is a national initiative in response to the Conservation of Agricultural Resources Act (CARA). The demand for this service was well below expectations up to 2012/13, hence no spending in 2011/12. The allocation over the 2015/16 MTEF is based on past trends in claims received and approved, but also taking into cognisance the fiscal consolidation, accounting for 2015/16 being less than 2014/15.

The department makes provision for contributions to various agricultural show societies, which are aimed at showcasing the latest developments in agriculture. The expenditure is demand based and the department only makes a transfer if a funding request with required supporting documentation is received.

The partnership with the SA Sugarcane Research Institute, which was formed in 2010/11, continues and grows steadily over the three years of the 2015/16 MTEF. This partnership ensures the provision of specialist extension services to assist small-scale extension farmers.

The two-year partnership with the Pmb SPCA, relating to the KZN Outreach programme, commenced in 2011/12 and was completed in 2012/13. The department entered into a one-year partnership with the AACL in 2014/15 for the same KZN Outreach programme.

The transfer to People's Bio Oil is in respect of a two-year agreement whereby the department provided funding for the infrastructure development relating to the Moringa Project.

The transfer to Zakhe Agricultural College is in line with a partnership with the department, aimed at improving the facilities at the college to enhance agricultural education at the institution.

5.9 Transfers to local government

The department does not transfer any funds to local government. It is noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds are not transferred to any municipality, and so are excluded from the tables.

5.10 Transfers and subsidies

Table 3.13 gives a summary of *Transfers and subsidies* by programme and main category. The total amount transferred shows a fluctuating trend between 2011/12 and 2014/15, whereafter there is steady increase to 2017/18, as explained above and below the table.

Programme 1's *Transfers and subsidies* fluctuate, largely due to the nature of transfers made as follows:

- *Provinces and municipalities* cater for motor vehicle licences. The high expenditure in 2012/13 is due to the additional number of vehicles acquired, while the decrease in 2013/14 is due to some vehicles ordered not being delivered and licenced in that year. The payments against this category are dependent on the number of vehicles registered and are affected by new acquisitions and disposal of vehicles. The provision over the MTEF is based on the planned number of vehicles to be licensed.

- *Public corporations and private enterprises* caters for a once-off sponsorship in respect of the SA National Committee on Irrigation and Drainage symposium that was held in the province in 2012/13 and a registration fee paid as a sponsorship for an emerging farmer to attend the World Soya Bean Research Conference.
- *Households* cater for staff exits, which are difficult to predict, hence the fluctuating trend.

Table 3.13 : Summary of transfers and subsidies by programme and main category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 3 356 | 2 227 | 1 144 | 307 | 1 473 | 1 473 | 980 | 1 030 | 1 080 |
| Provinces and municipalities | 291 | 701 | 471 | 307 | 541 | 541 | 980 | 1 030 | 1 080 |
| Motor vehicle licences | 291 | 701 | 471 | 307 | 541 | 541 | 980 | 1 030 | 1 080 |
| Public corporations and private enterprises | - | 30 | 8 | - | - | - | - | - | - |
| Sponsorship to emerging farmer | - | - | 8 | - | - | - | - | - | - |
| SA Nat.Comm on Irrigation and Drainage | - | 30 | - | - | - | - | - | - | - |
| Households | 3 065 | 1 496 | 665 | - | 932 | 932 | - | - | - |
| Social benefits | 3 065 | 1 496 | 665 | - | 932 | 932 | - | - | - |
| 2. Agriculture | 187 852 | 232 156 | 166 801 | 178 105 | 191 184 | 191 184 | 184 534 | 193 092 | 203 098 |
| Provinces and municipalities | 357 | 506 | 398 | 226 | 247 | 247 | 280 | 295 | 310 |
| Motor vehicle licences | 357 | 506 | 398 | 226 | 247 | 247 | 280 | 295 | 310 |
| Departmental agencies and accounts | 126 761 | 140 734 | 101 152 | 106 410 | 110 771 | 110 771 | 123 119 | 128 397 | 134 948 |
| ADA | 126 761 | 140 734 | 101 152 | 106 410 | 106 410 | 106 410 | 123 119 | 128 397 | 134 948 |
| Ithala | - | - | - | - | 4 361 | 4 361 | - | - | - |
| Public corporations and private enterprises | 47 561 | 70 978 | 55 235 | 65 252 | 67 252 | 67 252 | 54 809 | 57 739 | 60 826 |
| Agricultural Show Societies | - | 19 | - | 1 201 | 1 201 | 1 201 | 1 256 | 1 310 | 1 379 |
| People's Bio Oil (Pty) Ltd | - | - | 6 000 | - | 2 000 | 2 000 | - | - | - |
| Mjindi | 46 681 | 68 399 | 46 607 | 60 816 | 60 816 | 60 816 | 50 506 | 53 183 | 56 001 |
| SA Sugarcane Research Institute | 880 | 1 439 | 1 197 | 1 479 | 1 479 | 1 479 | 1 547 | 1 641 | 1 729 |
| Soil conservation subsidy | - | 1 121 | 1 431 | 1 756 | 1 756 | 1 756 | 1 500 | 1 605 | 1 717 |
| Non-profit institutions | 4 905 | 10 291 | 250 | - | 6 050 | 6 050 | - | - | - |
| Pmb SPCA | 4 905 | 10 291 | - | - | - | - | - | - | - |
| Zakhe Agricultural College | - | - | 250 | - | 750 | 750 | - | - | - |
| Animal Anti-Cruelty League | - | - | - | - | 5 300 | 5 300 | - | - | - |
| Households | 8 268 | 9 647 | 9 766 | 6 217 | 6 864 | 6 864 | 6 326 | 6 661 | 7 014 |
| Social benefits | 8 268 | 9 647 | 9 766 | 6 217 | 6 864 | 6 864 | 6 326 | 6 661 | 7 014 |
| Total | 191 208 | 234 383 | 167 945 | 178 412 | 192 657 | 192 657 | 185 514 | 194 122 | 204 178 |

Transfers and subsidies under Programme 2 also fluctuate markedly over the seven years, as follows:

- *Provinces and municipalities* provides for the payment of motor vehicle licences. The increase from 2015/16 onward is in line with the planned number of vehicles to be licensed.
- *Departmental agencies and accounts* reflect the transfers made to ADA from 2011/12 onward, as mentioned. The fluctuations take into account the operational costs and projects undertaken by ADA. In 2014/15, the department provided funding to Ithala to assist the Ntingwe Tea Estate to pay the wages of employees for the three-month period during the off-season.
- *Public corporations and private enterprises* relates mainly to transfers made by the department to Mjindi, as explained in more detail in Section 5.7 above. This category also includes transfers to various other entities, as detailed in Section 5.8. For instance, there is a grant funding agreement with People's Bio Oil for a two-year period, whereby the department provided specific funding toward the establishment of the entity's infrastructure requirements. From 2015/16 onward, this category provides for increased transfers to Mjindi, as well as transfers for the soil conservation subsidy, agricultural show societies and, SA Sugarcane Research Institute.
- The funding for *Non-profit institutions* is dependent on partnerships/agreements that may be in place at any given point in time. For example, the department had a two-year partnership with the Pmb SPCA for the KZN Outreach programme between 2011/12 and 2012/13, and then formed a partnership with the AACL for the same project in 2014/15. The 2013/14 transfer of R250 000 to Zakhe Agricultural College in Richmond provides funding to improve the facilities at the college. A further R750 000 is provided in 2014/15 for this project. As is evident, these partnerships are time specific and there are no partnerships that have been entered into over the 2015/16 MTEF period, at this stage.
- *Households* caters for staff exit costs, which are difficult to predict, hence the fluctuating trend.

6. Programme description

The services rendered by the department are categorised under three programmes, which largely conform to the uniform budget and programme structure of the Agriculture and Rural Development sector, as explained previously. At the moment, Programme 2 provides the sector information by sub-programme and sub-sub-programme, because of the level of detail required by the sector. The programme structure and the proposed organisational structure are closely aligned, which enhances financial controls within the programmes and the vote as a whole. The department will review this use of sub-sub-programmes going forward, though.

6.1 Programme 1: Administration

The primary role of Programme 1 is to support the line function components of the department in achieving their goals. Tables 3.14 and 3.15 summarise payments and estimates relating to Programme 1 for the period 2011/12 to 2017/18.

Programme 1 fluctuates throughout the seven-year period. The peak in 2012/13 is mainly due to the replacement and purchase of new vehicles against *Machinery and equipment* and their associated licence fees against *Provinces and municipalities*, as well as renovations of offices at head office against *Buildings and other fixed structures*. The increase in the 2014/15 Adjusted Appropriation relates mainly to the correction of the amounts previously suspended in respect of the centralisation of parts of the communications budget and the external bursaries under the OTP. The significant increase in 2015/16 is to cater for the additional senior management positions for the rural development function, as well as the higher than inflationary increases in water, electricity, security services and also increased SITA costs to maintain and service the IT infrastructure.

Table 3.14 : Summary of payments and estimates by sub-programme: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Office of the MEC | 15 608 | 26 938 | 27 738 | 24 239 | 24 239 | 24 239 | 21 902 | 23 244 | 24 664 |
| 2. Senior Management | 30 969 | 27 188 | 34 035 | 50 647 | 39 876 | 39 876 | 58 012 | 61 105 | 64 160 |
| 3. Corporate Support Services | 128 462 | 167 180 | 161 076 | 144 443 | 156 062 | 156 062 | 206 096 | 207 943 | 218 340 |
| 4. Financial Management | 61 151 | 79 817 | 61 091 | 84 114 | 81 909 | 81 909 | 88 208 | 94 789 | 99 102 |
| 5. Communication Services | 19 152 | 32 146 | 36 268 | 25 748 | 32 125 | 32 125 | 33 612 | 33 599 | 35 706 |
| Total | 255 342 | 333 269 | 320 208 | 329 191 | 334 211 | 334 211 | 407 830 | 420 680 | 441 972 |

Table 3.15 : Summary of payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 220 005 | 276 180 | 292 585 | 284 359 | 288 213 | 288 213 | 355 977 | 372 308 | 392 628 |
| Compensation of employees | 117 596 | 128 737 | 120 136 | 143 987 | 127 295 | 127 295 | 170 652 | 182 116 | 193 900 |
| Goods and services | 102 355 | 147 416 | 172 368 | 140 372 | 160 918 | 160 918 | 185 325 | 190 192 | 198 728 |
| Interest and rent on land | 54 | 27 | 81 | - | - | - | - | - | - |
| Transfers and subsidies to: | 3 356 | 2 227 | 1 144 | 307 | 1 473 | 1 473 | 980 | 1 030 | 1 080 |
| Provinces and municipalities | 291 | 701 | 471 | 307 | 541 | 541 | 980 | 1 030 | 1 080 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | 30 | 8 | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 3 065 | 1 496 | 665 | - | 932 | 932 | - | - | - |
| Payments for capital assets | 31 559 | 54 862 | 25 406 | 44 525 | 44 525 | 44 525 | 50 873 | 47 342 | 48 264 |
| Buildings and other fixed structures | 6 448 | 21 466 | 10 678 | 18 969 | 18 969 | 18 969 | 17 229 | 17 775 | 17 759 |
| Machinery and equipment | 25 111 | 32 921 | 14 728 | 25 479 | 25 479 | 25 479 | 33 644 | 29 567 | 30 505 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | 475 | - | 77 | 77 | 77 | - | - | - |
| Payments for financial assets | 422 | - | 1 073 | - | - | - | - | - | - |
| Total | 255 342 | 333 269 | 320 208 | 329 191 | 334 211 | 334 211 | 407 830 | 420 680 | 441 972 |

The sub-programme: Office of the MEC increased substantially in 2012/13 due to restructuring of the Ministry and the department's new marketing strategy whereby an integrated internal and external communication service is provided. The reduction in 2014/15 is a result of the functions of the Ministry being aligned to the guidelines for providing support to the Office of the MEC. There is steady growth over the 2015/16 MTEF.

The low spending from 2011/12 to the 2014/15 Revised Estimate in respect of the sub-programme: Senior Management can be ascribed to the high vacancy rate at senior management level in the department. The 2015/16 budget is based on the department's organisational structure, and increases steadily over the MTEF as a result of provision for vacant posts including senior positions for the rural development function, as well as annual wage adjustments.

The Corporate Support Services sub-programme, which includes human resource management and development, legal services, security services, facilities, etc., fluctuates, with the peak in 2012/13 attributed to the increase in the number of bursaries offered for the 2012 academic year being processed after April 2012. The increase in the 2014/15 Adjusted Appropriation relates to the correction of the external bursaries that had previously been suspended to OTP, as well as provision for higher than inflationary increases in water, electricity and security services. This sub-programme shows a significant increase in 2015/16 as the baseline is corrected in terms of providing adequately for the number of critical vacant posts, ever increasing costs of water and electricity, as well as the cost for SITA. There is a steady increase over the 2015/16 MTEF.

The sub-programme: Financial Management shows fluctuations over the seven-year period. The increase in 2012/13 is due to additional vehicles for the departmental fleet under Programme 1 that were acquired through reprioritisation, as well as positive progress on infrastructure related projects during that year. This is also reflective against *Machinery and equipment* and *Buildings and other fixed structures* and explains the decrease in 2013/14. The slight decrease in the 2014/15 Adjusted Appropriation is to cater for the first charge for prior year irregular expenditure of R1.205 million that was not condoned, as well as funds relating to the support functions for the Environmental Affairs funding that moved to DEDTEA, as mentioned in detail earlier.

The growth against the sub-programme: Communication Services over the seven years is generally steady, apart from the substantial growth in 2012/13 which can be ascribed to the department's concerted efforts in its communication strategy and engagement with communities. The decrease between 2013/14 and the 2014/15 Main Appropriation is in respect of the portion of the communications budget that was transferred to OTP. The increase in the 2014/15 Adjusted Appropriation relates to the correction of this amount, where R6.377 million was re-allocated back to the department. The 2015/16 allocation includes once-off funding to replace the outdated signage of the department's offices, accounting for the drop in 2016/17.

Compensation of employees fluctuates up to the 2014/15 Revised Estimate and this is attributable to the high vacancy rate, as the department was finalising its organisational structure, as well as various moratoria on filling of posts during this period. The department has provided funding to fill the critical posts of the revised structure and, hence, the increase in 2015/16 and beyond. The department had, in the past, moved funds out of *Compensation of employees* during the Adjusted Appropriation due to posts not being filled. This is also evident in the reduction in this category in the 2014/15 Adjusted Appropriation.

Goods and services increases steadily over the seven-year period, with a peak in 2013/14 relating to the installation of a new telephonic system, revised SITA costs that are aligned to the number of users, as well as the forensic audit conducted in that year. The increase in the 2014/15 Adjusted Appropriation is due to the correction of the amount previously suspended for the centralisation of parts of the communications and external bursaries budgets under OTP. The increase in 2015/16 is as a result of correcting the baseline to adequately provide for SITA services, water, electricity, and security services.

With regard to *Transfers and subsidies*:

- The expenditure and estimates against *Provinces and municipalities* are in respect of motor vehicle licence fees. The peak in 2012/13 can be ascribed to increased motor vehicle licence costs relating to the increase in the department's vehicle fleet in that year. The reduction in 2013/14 is due to the new

vehicles ordered not being received and licensed during that year. The provision over the 2015/16 MTEF is aligned to the planned number of vehicles to be licensed. These payments are also affected by the timing of the sale of redundant vehicles, that is, whether the disposal takes place before or after the annual licence renewal.

- *Public corporations and private enterprise* caters for a once-off payment in respect of the SA National Committee on Irrigation and Drainage symposium that was held in the province in 2012/13 and a sponsorship for an emerging farmer to attend the World Soya Bean Conference in 2013/14.
- *Households* caters for staff exit costs, which are difficult to predict, hence the fluctuating trend.

Buildings and other fixed structures comprises mainly renovations of office buildings at the head office, as well as district offices, and the prior year fluctuations relate to the nature of the work undertaken.

Machinery and equipment shows a decrease in 2013/14 due to vehicles ordered not being delivered in that year. The increase in 2015/16 is in respect of the once-off acquisition of a new IT server.

The high expenditure in 2012/13 in respect of *Software and other tangible assets* is a result of 2011/12 software licence fees only being paid for in 2012/13 due to administrative delays. The software licences are now managed through SITA and are provided for under *Goods and services*, hence there is no provision for these over the MTEF.

Payments for financial assets provides for the approved write-off of thefts and losses in 2011/12 and 2013/14. Due to the nature of these transactions, no provision is made over the MTEF period.

6.2 Programme 2: Agriculture

Programme 2 has two main core functions, namely Agriculture and Veterinary Services. Agriculture encompasses crop production, livestock farming, land use and land reform (a national priority run by DARD at provincial level). Veterinary Services entails animal disease control, prevention of zoonotic diseases, and ensuring safety of food products of animal origin.

Tables 3.16 and 3.17 give information relating to Programme 2, providing detail at sub-sub-programme level, conforming to the uniform budget and programme structure for the sector, as mentioned earlier.

Programme 2 as a whole shows some fluctuations between 2011/12 to 2014/15, followed by a decrease in 2015/16 whereafter there is steady increase to 2017/18. In 2012/13, the department received substantial additional funding for the rabies campaign, stock watering dams, further development of the Makhathini area, and to assist Mjindi with repairs to the irrigation scheme. The bulk of this additional funding was largely once-off, accounting for the slight decrease in 2013/14. The decrease in 2013/14 is also due to some under-expenditure on the liming programme funded by the Ilima/Letsema Projects grant and establishing mechanisation sheds at districts amounting to some R32 million. These funds were rolled over, accounting for the increase in the 2014/15 Adjusted Appropriation.

Table 3.16 : Summary of payments and estimates by sub-programme: Agriculture

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Sustainable Resource Management | 64 315 | 90 794 | 112 361 | 99 532 | 99 532 | 99 532 | 101 557 | 105 069 | 110 420 |
| Engineering Services | 35 836 | 47 162 | 48 222 | 61 800 | 61 800 | 61 800 | 62 852 | 66 212 | 69 523 |
| Land Care | 28 479 | 43 632 | 64 139 | 37 732 | 37 732 | 37 732 | 38 705 | 38 857 | 40 897 |
| 2. Farmer Support and Development | 1 120 373 | 1 254 320 | 1 145 581 | 1 249 299 | 1 277 999 | 1 277 999 | 1 223 217 | 1 267 966 | 1 333 512 |
| Farmer-settlement and Development | 163 472 | 195 474 | 214 833 | 142 393 | 142 393 | 142 393 | 124 116 | 119 969 | 126 327 |
| Extension and Advisory Services | 895 688 | 1 012 691 | 837 573 | 1 044 938 | 1 073 638 | 1 073 638 | 1 042 809 | 1 088 718 | 1 144 764 |
| Food Security | 61 213 | 46 155 | 93 175 | 61 968 | 61 968 | 61 968 | 56 292 | 59 279 | 62 421 |
| 3. Veterinary Services | 115 491 | 154 386 | 135 812 | 142 061 | 142 061 | 142 061 | 149 111 | 157 129 | 164 985 |
| Animal Health | 115 491 | 154 386 | 135 812 | 142 061 | 142 061 | 142 061 | 149 111 | 157 129 | 164 985 |
| 4. Research and Technology Development Services | 129 118 | 155 249 | 163 704 | 166 192 | 166 192 | 166 192 | 188 841 | 199 968 | 211 708 |
| Research | 129 118 | 155 249 | 163 704 | 166 192 | 166 192 | 166 192 | 188 841 | 199 968 | 211 708 |
| 5. Agricultural Economic Services | 1 621 | 2 231 | 5 641 | 3 461 | 6 561 | 6 561 | 6 900 | 7 269 | 7 633 |
| Agri-Business Support and Development | 1 621 | 2 231 | 5 641 | 3 461 | 6 561 | 6 561 | 6 900 | 7 269 | 7 633 |
| 6. Structured Agricultural Education and Training | 96 706 | 119 342 | 122 221 | 143 390 | 143 390 | 143 390 | 106 657 | 112 631 | 118 262 |
| Higher Education and Training | 96 706 | 119 342 | 122 221 | 143 390 | 143 390 | 143 390 | 106 657 | 112 631 | 118 262 |
| Total | 1 527 624 | 1 776 322 | 1 685 320 | 1 803 935 | 1 835 735 | 1 835 735 | 1 776 283 | 1 850 032 | 1 946 520 |

Table 3.17 : Summary of payments and estimates by economic classification: Agriculture

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 1 129 632 | 1 360 440 | 1 365 127 | 1 475 477 | 1 513 498 | 1 513 498 | 1 455 291 | 1 512 815 | 1 592 492 |
| Compensation of employees | 594 076 | 633 135 | 712 792 | 743 530 | 742 883 | 742 883 | 777 848 | 830 603 | 886 910 |
| Goods and services | 535 556 | 727 305 | 652 305 | 731 947 | 770 615 | 770 615 | 677 443 | 682 212 | 705 582 |
| Interest and rent on land | - | - | 30 | - | - | - | - | - | - |
| Transfers and subsidies to: | 187 852 | 232 156 | 166 801 | 178 105 | 191 184 | 191 184 | 184 534 | 193 092 | 203 098 |
| Provinces and municipalities | 357 | 506 | 398 | 226 | 247 | 247 | 280 | 295 | 310 |
| Departmental agencies and accounts | 126 761 | 140 734 | 101 152 | 106 410 | 110 771 | 110 771 | 123 119 | 128 397 | 134 948 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 47 561 | 70 978 | 55 235 | 65 252 | 67 252 | 67 252 | 54 809 | 57 739 | 60 826 |
| Non-profit institutions | 4 905 | 10 291 | 250 | - | 6 050 | 6 050 | - | - | - |
| Households | 8 268 | 9 647 | 9 766 | 6 217 | 6 864 | 6 864 | 6 326 | 6 661 | 7 014 |
| Payments for capital assets | 210 140 | 183 726 | 153 392 | 150 353 | 131 053 | 131 053 | 136 458 | 144 125 | 150 930 |
| Buildings and other fixed structures | 90 175 | 133 617 | 122 786 | 121 718 | 102 418 | 102 418 | 98 215 | 103 976 | 108 532 |
| Machinery and equipment | 112 368 | 40 387 | 30 089 | 27 613 | 27 613 | 27 613 | 37 402 | 39 265 | 41 224 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | 7 354 | 9 542 | 474 | 586 | 586 | 586 | 606 | 636 | 668 |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 243 | 180 | 43 | 436 | 436 | 436 | 235 | 248 | 506 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 1 527 624 | 1 776 322 | 1 685 320 | 1 803 935 | 1 835 735 | 1 835 735 | 1 776 283 | 1 850 032 | 1 946 520 |

The Sustainable Resource Management sub-programme, which includes the Engineering Services and Land Care sub-sub-programmes, shows a significant increase in 2012/13 mainly due to increased spending in respect of the diptank rehabilitation programme, which was low in prior years, as well as a roll-over of the Land Care grant. The peak in 2013/14 is attributed to once-off funding being prioritised to 32 land care projects, such as alien weed clearing, bush encroachment, de-stumping, conservation works, etc., within the Ilembe, Umzinyathi and uThungulu District Municipalities. This once-off funding, as well as the decrease in the Land Care grant is due to the fencing component of the grant allocation being phased out, accounts for the reduction in the Land Care sub-sub-programme in 2014/15, before increasing again over the MTEF. Fiscal consolidation cuts have impacted on the conditional grant, but it is not that visible due to the high quantum of equitable share in respect of this sub-programme.

The Farmer Support and Development sub-programme houses the bulk of the conditional grants, additional provincial funding for the Makhathini development project, extension services, as well as the fencing and irrigation scheme programmes. It must be noted that the Farmer-settlement and Development sub-sub-programme includes ADA's subsidy. Additional funding of R10.200 million in 2015/16 for the 2014 veld fires disaster in the Harry Gwala District is also allocated under this sub-sub-programme. However, this is offset by a reduction in line with fiscal consolidation cuts in respect of conditional grants, in particular, the Ilima/Letsema Projects grant.

Veterinary Services increases steadily over the seven-year period, except for the peak in 2012/13. The high 2012/13 spending is due to the substantial once-off additional funding of R20 million for the rabies awareness campaign and vaccination drive, as well as the roll-over of R4.905 million in respect of the KZN Outreach programme, accounting for the dip in 2013/14. There is steady growth over the MTEF.

The sub-programme: Research and Technology Development Services increases steadily over the seven-year period, despite some challenges in the construction of the main mushroom building at Cedara and its various satellite bases over the same period. The cost of the satellite bases has increased, which will mean that, with the current funding envelope, the department will only be able to build one satellite base per annum instead of the planned two per annum. There is steady growth over the 2015/16 MTEF.

The purpose of the Agricultural Economic Services sub-programme is to market information and facilitate marketing and provide agricultural economic services to clients. This sub-programme was not fully capacitated in 2011/12 and 2012/13, and the increased level of spending from 2013/14 coincides with the increased capacity that was obtained to provide a more effective service. It is expected that the activities under this sub-programme will play a leading role in stimulating agri-business and related activities in the rural areas of KZN. As such, this sub-programme increases steadily over the seven-year period.

The Structured Agricultural Education and Training sub-programme shows steady growth from 2011/12 to 2014/15 and then a significant decrease in 2015/16 before increasing again over the MTEF period. This sub-programme houses Cedara and OSCA. The two colleges provide an accredited three-year diploma in agriculture courses, and various FET short courses. Cedara is also accredited with the University of KZN and provides a three-year B. Agric. degree. Funding for improving the infrastructure at these colleges is received from the CASP conditional grant and this contributes to the increased level of spending from 2012/13. The assistant extension officers' programme that ended in 2014/15 was funded under this sub-programme, thus explaining the decrease in 2015/16. The department has changed its approach and reprioritised these funds toward rural development activities. There is steady growth over the MTEF.

Compensation of employees shows a steady growth over the seven-year period which is reflective of the annual wage adjustments, filling of critical vacant posts, as well as the implementation of the various OSDs within the department.

Goods and services include the bulk of the conditional grant funding, as well as portion of the Makhathini funding. The high spending in 2012/13 relates to the substantial additional funding allocated for the rabies awareness campaign, stock watering dams and the further development of the Makhathini area. This was largely once-off, accounting for the dip in 2013/14. The increase in the 2014/15 Main Appropriation includes once-off additional funding in respect of livestock identification, while the increase in the Adjusted Appropriation relates to the roll-over for the liming programme funded by the Ilima/Letsema Projects grant, as well as approval to redirect funding earmarked for the provision of mechanisation sheds under *Buildings and other fixed structures* towards rural development initiatives. This partly accounts for the decrease in 2015/16. Also contributing to the decrease in 2015/16 are funds for projects to be implemented by ADA being adjusted downwards. Additional funding of R10.200 million in 2015/16 for the 2014 veld fires disaster in the Harry Gwala District is also allocated under this category. There is steady increase over the 2015/16 MTEF.

With regard to *Transfers and subsidies*:

- The amount under *Provinces and municipalities* relates to motor vehicle licences and is dependent on the actual number of vehicles in the departmental fleet.
- *Departmental agencies and accounts* comprises transfers made to ADA, which are dependent on operational costs and the projects to be undertaken by the entity each year and hence the fluctuations. The 2015/16 MTEF grows steadily.
- *Public corporations and private enterprises* relates mainly to transfers to Mjindi, but also includes transfers to various other entities, as detailed in Section 5.10. The increase in 2012/13 is due to once-off additional funding for Mjindi for irrigation and farming equipment. This category includes the transfer of R6 million in 2013/14 and R2 million in 2014/15 to People's Bio Oil to provide for infrastructure requirements in respect of the Moringa project. A further once-off allocation in 2014/15 to Mjindi was to provide for the purchase of irrigation equipment for the Makhathini irrigation scheme and this account for the decrease in 2015/16. This category also provides for transfers for the soil conservation subsidy, agricultural show societies, and the SA Sugarcane Research Institution over the 2015/16 MTEF.
- *Non-profit institutions* provides for the transfer to the Pmb SPCA for the KZN Outreach programme in 2011/12 and 2012/13, as mentioned previously. The transfers to Zakhe Agricultural College in 2013/14 and 2014/15 are to improve its agricultural facilities which will enhance the quality of the practicals for learners, as previously mentioned. The department also entered into partnership with the AACL in 2014/15 to continue with the KZN Outreach programme which was previously done together with the Pmb SPCA.
- *Households* caters for staff exit costs, which are difficult to predict, hence the fluctuating trend.

Buildings and other fixed structures shows an increase in 2012/13 mainly due to once-off funding for Makhathini development from 2012/13 to 2013/14. The decrease in the 2014/15 Adjusted Appropriation is in respect of the funding for the mechanisation sheds being vired to *Goods and services* for rural development initiatives. The department did not proceed with building these sheds as it is reviewing the mechanisation programme.

The high expenditure against *Machinery and equipment* in 2011/12 can largely be ascribed to the department's focus on the mechanisation programme and the acquisition of tractors and farming equipment to support this programme. The department is reviewing the mechanisation programme and hence no provision has been made to acquire further tractors and equipment over the MTEF period. The steady increase over the 2015/16 MTEF provides for farming equipment at the research farms and colleges, as well as office furniture and equipment at the various district and regional agricultural offices.

Biological assets shows high expenditure during 2011/12 and 2012/13 to fund the department's Nguni breed initiative, which is aimed at revitalising the Nguni breed in KZN. This accounts for the significant drop from 2013/14 onwards, where the provision is for acquiring animals for research and educational purposes only.

Software and other intangible assets fluctuates over the period, as this category is dependent on the need for updated software.

Service delivery measures – Programme 2: Agriculture

Table 3.18 shows service delivery measures pertaining to Programme 2, which are largely aligned to the customised measures prescribed for the Agriculture sector. In addition, the department reports on several measures which are not prescribed by the sector.

The department reviewed its service delivery measures for 2015/16, and hence a number of new targets are included and some are no longer applicable and hence have been omitted from this table. This was a result of the review by the sector and the department to discontinue measuring these indicators.

The performance target “New” in the 2014/15 Estimated performance illustrates that the indicator did not exist in 2014/15, and that it is a new indicator from 2015/16 onward.

Table 3.18 : Service delivery measures – Programme 2: Agriculture

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | |
|---|--|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 1. Sustainable Resource Management | | | | | |
| 1.1 Engineering services | <ul style="list-style-type: none"> No. of agricultural engineering advisory reports prepared No. of designs with specification for agricultural engineering solutions provided No. of agricultural infrastructure established | 12 75 100 | 12 250 140 | 12 250 150 | 12 250 160 |
| 1.2 Infrastructure | <ul style="list-style-type: none"> No. of dip tanks rehabilitated No. of new dip tanks established No. of boreholes established No. of Irrigation schemes rehabilitated No. of irrigation schemes developed No. of km of fencing erected | 40 10 50 50 30 85 | 40 15 50 55 40 450 | 60 15 70 60 50 460 | 80 15 70 65 60 470 |
| 1.3 Land use | <ul style="list-style-type: none"> No. of hectares of agricultural land protected through guiding subdivision / rezoning / change of agricultural land use | 200 | 280 | 280 | 280 |
| 1.4 Disaster risk management | <ul style="list-style-type: none"> No. of disaster relief schemes managed No. of disaster risk reduction programmes managed | New New | 3 4 | 3 4 | 3 4 |
| 1.5 Land care | <ul style="list-style-type: none"> No. of farm land ha improved through conservation measures No. of beneficiaries adopting/practising sustainable production technologies and practices No. of green jobs created through land care No. of degraded ha rehabilitated/No. of ha protected/rehabilitated to improve agricultural production | 20 100 7 500 6 500 | 20 40 2 000 6 500 | 35 110 2 000 6 500 | 35 120 3 000 6 500 |
| 2. Farmer Support and Development | | | | | |
| 2.1 Farmer-settlement and development | <ul style="list-style-type: none"> No. of farm assessments completed No. of farm plans completed No. of smallholder producers receiving supported No. of commercial farmers supported | 55 55 100 22 | 65 35 150 25 | 65 40 150 30 | 65 40 200 35 |

Table 3.18 : Service delivery measures – Programme 2: Agriculture

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|--|--|---|--|--|--|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 2.2 | Specialist agricultural advisory services | <ul style="list-style-type: none"> No. of scientific evaluation reports on commodity based projects No. of on farm research report No. of scientific value adding reports on diversified crops No. of agricultural business plans supported | 90 22 60 110 | 90 22 70 130 | 90 22 75 140 | 90 22 75 150 |
| 2.3 | Mentorship | <ul style="list-style-type: none"> No. of projects mentored (constant) | 30 | 45 | 50 | 55 |
| 2.4 | Value adding and product handling | <ul style="list-style-type: none"> No. of clients trained in agri-processing | 480 | 480 | 500 | 520 |
| 2.5 | Extension and advisory services | <ul style="list-style-type: none"> No. of smallholder producers supported with agricultural advice No. of hectares under irrigation used by smallholder farmers No of jobs created | n/a n/a n/a | 9 000 150 2 500 | 9 330 150 3 000 | 9 360 150 3 000 |
| 2.6 | Crop production | <ul style="list-style-type: none"> No. of ha of maize established under the mechanisation prog. No. of ha of beans established under the mechanisation prog. No. of ha of other crops established No. of ha limed | 14 375 5 850 1 365 1 500 | 14 500 5 850 1 365 1 500 | 15 500 6 000 1 400 4 000 | 15 500 6 000 1 400 4 000 |
| 2.7 | Food security | <ul style="list-style-type: none"> No. of households benefitting from agricultural food security initiatives No. of hectares cultivated for food production in communal areas No. of community gardens established No. of household gardens established No. of tunnels established No. of institutional gardens supported | 300 000 New 100 1 100 385 200 | 300 000 2 500 100 1 100 385 200 | 300 000 2 500 110 1 500 390 200 | 300 000 2 500 110 2 000 390 200 |
| 2.8 | Co-operatives | <ul style="list-style-type: none"> No. of established agricultural co-operatives linked to the market | 55 | 60 | 65 | 65 |
| 3. Veterinary Services | | | | | | |
| 3.1 | Animal health | <ul style="list-style-type: none"> No. of epidemiological units visited for veterinary interventions | New | 7 500 | 7 500 | 7 500 |
| 3.2 | Export control | <ul style="list-style-type: none"> No. of clients serviced for animal and animal products export | New | 10 000 | 10 000 | 10 000 |
| 3.3 | Veterinary public health | <ul style="list-style-type: none"> % level of abattoir compliance to meat safety legislation No. of inspections to facilities processing animal product and by-products No. of inspections to further processing facilities | n/a 450 500 | 60% 250 496 | 60% 250 600 | 60% 250 650 |
| 3.4 | Veterinary laboratory services | <ul style="list-style-type: none"> No. of veterinary laboratory quality control audits which meets ISO standards No. of tests performed No. of epidemiological studies conducted | n/a 170 000 2 | 20 150 000 4 | 25 150 000 4 | 30 150 000 4 |
| 4. Research and Technology Development Services | | | | | | |
| 4.1 | Research and technology development services | <ul style="list-style-type: none"> No. of research and technology development projects implemented to improve agricultural production No. of samples analysed No. of mushroom packs produced | 69 34 200 220 000 | 69 34 200 220 000 | 70 35 500 240 000 | 70 34 000 250 000 |
| 4.2 | Infrastructure and support services | <ul style="list-style-type: none"> No. of research infrastructure maintained/managed | 11 | 22 | 24 | 26 |
| 4.3 | Technology transfer services | <ul style="list-style-type: none"> No. of scientific papers published (nationally or internationally) No. of presentations made at scientific events (nationally or internationally) | New 8 | 12 8 | 12 10 | 12 10 |
| 5. Agricultural Economic Services | | | | | | |
| 5.1 | Agri-business support and development | <ul style="list-style-type: none"> No. of agri-businesses supported with agricultural economics services toward accessing markets No. of clients who have benefitted from agricultural economic advice provided No. of enterprise budgets published | 20 2 000 102 | 30 2 000 150 | 40 2 000 150 | 50 2 000 150 |
| 5.2 | Macro-economic support | <ul style="list-style-type: none"> No. of agricultural economic information responses provided No. of economic reports compiled | 200 New | 1 500 4 | 1 000 5 | 1 000 5 |
| 6. Structured Agricultural Education and Training | | | | | | |
| 6.1 | Higher education and training (HET) | <ul style="list-style-type: none"> No. of agricultural HET graduates | New | 400 | 500 | 550 |
| 6.2 | Further education and training (FET) | <ul style="list-style-type: none"> No. of participants trained in agricultural skills development programmes | New | 350 | 300 | 320 |

6.3 Programme 3: Rural Development

This is a new programme from 2015/16, following the function shift from OTP. The programme aims to:

- Initiate, plan and monitor development in specific rural areas (comprehensive rural development project sites) across the three spheres of government.
- Facilitate rural development initiatives by engaging communities on priorities and to institutionalise and support community organisational structures.

The department did not receive additional funding for this function and has reprioritised some funds from within its budget to at least partially fund this function. The cost of this function has been calculated at R42.887 million, R45.589 million and R48.461 million over the MTEF, but the department is currently in a position to fund only R18.961 million, R19.965 million and R20.963 million through internal reprioritisation. This will be reviewed in-year.

Tables 3.19 and 3.20 summarise payments and estimates for Programme 3, which conforms to the uniform budget structure of the Agriculture and Rural Development sector. The MTEF allocation is for the co-ordination and facilitation function only. The proposed organisational structure also provides for rural development enterprise which is not included in this programme. Part of this function will be provided within the Agriculture programme in as far as it relates to agricultural enterprises.

The Rural Development programme has six main priorities which respond directly to the intended outcome of the mandate, which seeks to achieve “vibrant, equitable, sustainable rural communities contributing toward food security for all.”

Table 3.19 : Summary of payments and estimates by sub-programme: Rural Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|------------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Rural Development Co-ordination | - | - | - | - | - | - | 8 763 | 9 227 | 9 688 |
| 2. Social Facilitation | - | - | - | - | - | - | 10 198 | 10 738 | 11 275 |
| Total | - | - | - | - | - | - | 18 961 | 19 965 | 20 963 |

Table 3.20 : Summary of payments and estimates by economic classification: Rural Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | - | - | - | - | - | 17 978 | 19 275 | 20 468 |
| Compensation of employees | - | - | - | - | - | - | 16 488 | 17 709 | 18 824 |
| Goods and services | - | - | - | - | - | - | 1 490 | 1 566 | 1 644 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | - | - | - | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | 983 | 690 | 495 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | 983 | 690 | 495 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | 18 961 | 19 965 | 20 963 |

The budget allocation is for *Compensation of employees* provides for the filling of 49 posts.

The department has also budgeted some amounts against *Goods and services* for expenditure such as travel costs, office furniture and equipment, etc.

The allocation under *Machinery and equipment* provides for the computer equipment and vehicles for the newly appointed staff.

Service delivery measures – Programme 3: Rural Development

Table 3.21 shows service delivery pertaining to Programme 3. The information reflected largely complies with the customised measures prescribed for the Agriculture and Rural Development sector. It is noted that the department reports on only those customised measures that are relevant and quantifiable, as well as on several measures, which are not prescribed by the sector.

The department reviewed its service delivery measures for 2015/16, and hence a number of new targets for Rural Development are introduced. The performance target “New” in the 2014/15 Estimated performance illustrates that the indicator did not exist in 2014/15, and that it is a new indicator from 2015/16 onward.

Table 3.21 : Service delivery measures – Programme 3: Rural Development

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | |
|--|---|-----------------------|---------------------|---------|---------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 1. Rural co-ordination | • No. of rural development reports produced | New | 4 | 4 | 4 |
| 2. Land administration and spatial planning | • No. of municipalities implementing Spatial Planning and Land Use Management Act | New | 61 | 61 | 61 |
| 3. Sustainable land reform | • No. of ha of land unlocked for agricultural development | New | 10 000 | 15 000 | 20 000 |
| | • No. of District Land Committees established | New | 10 | 10 | 10 |
| 4. Rural infrastructure development | • No. of rural institutions provided with infrastructure | New | 10 | 10 | 10 |
| 5. Rural enterprise development for job creation | • No. of agri-parks/agri-villages established | New | 3 | 5 | 8 |
| | • No. of river valley projects established | New | 3 | 5 | 8 |
| | • No. of jobs created through rural enterprises | New | 200 | 250 | 300 |

7. Other programme information

7.1 Personnel numbers and costs

Tables 3.22 and 3.23 below illustrate personnel estimates for the department by programme as at 31 March 2012 to 31 March 2018. The department reviewed its organisational structure following the new mandate of the department, whereby the functions of environmental affairs and conservation were removed, and rural development was added. It is noted that the personnel numbers from 2015/16 onward are based on the proposed organisational structure that is expected to be finalised before 1 April 2015. This revised structure makes provision for 3 719 posts as opposed to the current approved establishment of 3 796 posts, a reduction of 77 posts. This proposed structure includes the provision of the rural development function, which was not previously catered for.

Table 3.22 : Personnel numbers and costs by programme

| 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 | 400 | 408 | 336 | 379 | 720 | 720 | 720 |
| 2. Agriculture of which Assistant extension officers | 3 454 | 3 041 | 3 034 | 3 417 | 2 950 | 2 950 | 2 950 |
| 3. Rural Development | 165 | 448 | 686 | 727 | - | - | - |
| Total | 3 854 | 3 449 | 3 370 | 3 796 | 3 719 | 3 719 | 3 719 |
| Total personnel cost (R thousand) | 711 672 | 761 872 | 832 928 | 870 178 | 964 988 | 1 030 428 | 1 099 634 |
| Unit cost (R thousand) | 185 | 221 | 247 | 229 | 259 | 277 | 296 |

Table 3.23 : Summary of departmental personnel numbers and costs by component

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------|---------|-----------------------|---------------------------|---------------------|-----------------------|-----------|-----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Total for department | | | | | | | | | |
| Personnel numbers (head count) | 3 854 | 3 449 | 3 370 | 3 796 | 3 796 | 3 796 | 3 719 | 3 719 | 3 719 |
| Personnel cost (R thousands) | 711 672 | 761 872 | 832 928 | 887 517 | 870 178 | 870 178 | 964 988 | 1 030 428 | 1 099 634 |
| Human resources component | | | | | | | | | |
| Personnel numbers (head count) | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 |
| Personnel cost (R thousands) | 24 421 | 25 518 | 26 794 | 28 214 | 28 214 | 28 214 | 29 709 | 31 284 | 33 255 |
| Head count as % of total for department | 4.31 | 4.81 | 4.93 | 4.37 | 4.37 | 4.37 | 4.46 | 4.46 | 4.46 |
| Personnel cost as % of total for department | 3.43 | 3.35 | 3.22 | 3.18 | 3.24 | 3.24 | 3.08 | 3.04 | 3.02 |
| Finance component | | | | | | | | | |
| Personnel numbers (head count) | 295 | 295 | 295 | 295 | 295 | 295 | 295 | 295 | 295 |
| Personnel cost (R thousands) | 53 686 | 56 687 | 59 521 | 62 676 | 62 676 | 62 676 | 65 997 | 69 495 | 73 873 |
| Head count as % of total for department | 7.65 | 8.55 | 8.75 | 7.77 | 7.77 | 7.77 | 7.93 | 7.93 | 7.93 |
| Personnel cost as % of total for department | 7.54 | 7.44 | 7.15 | 7.06 | 7.20 | 7.20 | 6.84 | 6.74 | 6.72 |
| Full time workers | | | | | | | | | |
| Personnel numbers (head count) | 3 169 | 2 999 | 2 643 | 3 069 | 3 069 | 3 069 | 3 719 | 3 719 | 3 719 |
| Personnel cost (R thousands) | 690 752 | 725 906 | 805 401 | 858 592 | 841 253 | 841 253 | 964 988 | 1 030 428 | 1 099 634 |
| Head count as % of total for department | 82.23 | 86.95 | 78.43 | 80.85 | 80.85 | 80.85 | 100.00 | 100.00 | 100.00 |
| Personnel cost as % of total for department | 97.06 | 95.28 | 96.70 | 96.74 | 96.68 | 96.68 | 100.00 | 100.00 | 100.00 |
| Part-time workers | | | | | | | | | |
| Personnel numbers (head count) | - | - | - | - | - | - | - | - | - |
| Personnel cost (R thousands) | - | - | - | - | - | - | - | - | - |
| Head count as % of total for department | - | - | - | - | - | - | - | - | - |
| Personnel cost as % of total for department | - | - | - | - | - | - | - | - | - |
| Contract workers | | | | | | | | | |
| Personnel numbers (head count) | 685 | 450 | 727 | 727 | 727 | 727 | - | - | - |
| Personnel cost (R thousands) | 20 920 | 35 966 | 27 527 | 28 925 | 28 925 | 28 925 | - | - | - |
| Head count as % of total for department | 17.77 | 13.05 | 21.57 | 19.15 | 19.15 | 19.15 | - | - | - |
| Personnel cost as % of total for department | 2.94 | 4.72 | 3.30 | 3.26 | 3.32 | 3.32 | - | - | - |

As is evident in the tables, the number of filled posts between 2012/13 and 2014/15 is far below the approved establishment of 3 796 posts for a number of reasons, including the moratorium on filling posts, restructuring and change of management.

The increase from March 2015 to March 2016 is 77 posts, which the department envisages to have filled during the course of 2015/16. These posts will be filled at various stages after all due processes have been followed, including job evaluations where necessary. This will be done in line with the moratorium on the filling of non-critical vacant posts.

The provision of 49 posts under Programme 3 is in respect of the co-ordination, monitoring and social facilitation function only. The total posts for rural development amount to 82, but only 49 are provided for, at this stage, resulting from internal reprioritisation of the budget, as mentioned previously.

Also affecting the personnel numbers is the assistant extension officer programme between 2011/12 and 2014/15, accounting for the significant increase in personnel numbers under Programme 2 in the same period. This programme was aimed at employing graduates with agricultural diplomas on a contract basis during which they would be provided with experience and an opportunity to upgrade their qualifications from a diploma to an agricultural degree. Government norms and standards for agricultural extension officers require a three-year degree as the minimum entry level. This programme therefore, provided a means for graduates with diplomas to, at least, reach the minimum qualification that would enable them to apply for extension officer posts in the government sector. The last group of graduates finished their contract in September 2014. Therefore, no provision has been made over the 2015/16 MTEF for assistant extension officers, as the department is currently reviewing the programme.

As a result of the agricultural research functions at the department's research farms, DARD is fairly labour intensive, with levels 2 to 5 comprising 41 per cent of the total number of posts in the department. These levels include laboratory assistants, farm assistants, etc. This accounts for the fairly low unit cost when compared to other provincial departments.

7.2 Training

Tables 3.24 and 3.25 give a summary of departmental spending and information on training per programme over the seven-year period.

The amounts reflected pertain to capacitating and improving the skills of the staff of the department. As required by the Skills Development Act, the department budgets at least 1 per cent of its salary expense for staff training. This requirement gives credence to government policy on human resource development.

It is noted that information for Programme 3 is not included in these tables as this is a new function and the development requirements will be established once this branch is fully implemented and appointments made. Any training needs will be catered for from existing budget allocations.

Table 3.24 : Payments on training by programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-----------------------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 2 245 | 5 005 | 4 734 | 7 384 | 6 029 | 6 029 | 7 073 | 7 448 | 7 783 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | 2 245 | 5 005 | 4 734 | 7 384 | 6 029 | 6 029 | 7 073 | 7 448 | 7 783 |
| 2. Agriculture | 11 339 | 6 934 | 5 696 | 10 157 | 11 386 | 11 386 | 7 669 | 7 735 | 8 310 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | 11 339 | 6 934 | 5 696 | 10 157 | 11 386 | 11 386 | 7 669 | 7 735 | 8 310 |
| 3. Rural Development | - | - | - | - | - | - | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Total | 13 584 | 11 939 | 10 430 | 17 541 | 17 415 | 17 415 | 14 742 | 15 183 | 16 093 |

The high costs against Programme 2 in 2011/12 relates to the focus in that financial year for the training of the extension officers, including the assistant extension officer programme.

Table 3.25 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships. The department will continue to enhance the skills and development of its human capital.

Table 3.25 : Information on training: Agriculture and Rural Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Number of staff | 3 854 | 3 449 | 3 370 | 3 796 | 3 796 | 3 796 | 3 719 | 3 719 | 3 719 |
| Number of personnel trained | 3 200 | 3 300 | 3 340 | 3 360 | 3 360 | 3 360 | 2 750 | 2 750 | 2 900 |
| of which | | | | | | | | | |
| Male | 1 500 | 1 550 | 1 560 | 1 565 | 1 565 | 1 565 | 1 100 | 1 250 | 1 200 |
| Female | 1 700 | 1 750 | 1 780 | 1 795 | 1 795 | 1 795 | 1 650 | 1 500 | 1 700 |
| Number of training opportunities | 2 714 | 2 714 | 2 739 | 2 739 | 2 739 | 2 739 | 2 590 | 3 086 | 3 086 |
| of which | | | | | | | | | |
| Tertiary | 200 | 200 | 210 | 210 | 210 | 210 | 190 | 195 | 195 |
| Workshops | 2 500 | 2 500 | 2 510 | 2 510 | 2 510 | 2 510 | 2 376 | 2 862 | 2 862 |
| Seminars | 10 | 10 | 15 | 15 | 15 | 15 | 20 | 25 | 25 |
| Other | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Number of bursaries offered | 200 | 200 | 200 | 200 | 200 | 200 | 190 | 195 | 195 |
| Number of interns appointed | 175 | 175 | 175 | 175 | 175 | 175 | 180 | 190 | 190 |
| Number of learnerships appointed | - | - | - | - | - | - | 10 | 10 | 10 |
| Number of days spent on training | 6 790 | 6 820 | 6 900 | 6 900 | 6 900 | 6 900 | 6 875 | 7 250 | 7 500 |

ANNEXURE – VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

Table 3.A : Details of departmental receipts: Agriculture and Rural Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 13 965 | 14 820 | 15 709 | 16 981 | 16 981 | 17 645 | 19 771 | 20 884 | 22 086 |
| Sale of goods and services produced by dept. (excl. capital assets) | 13 957 | 14 820 | 15 708 | 16 981 | 16 981 | 17 644 | 19 771 | 20 884 | 22 086 |
| Sales by market establishments | 4 221 | 4 693 | 3 511 | 1 608 | 1 608 | 3 391 | 3 412 | 3 428 | 3 445 |
| Administrative fees | - | 1 | 5 | 1 638 | 1 638 | 10 | 11 | 11 | 12 |
| Other sales | 9 736 | 10 126 | 12 192 | 13 735 | 13 735 | 14 243 | 16 348 | 17 445 | 18 629 |
| Of which | | | | | | | | | |
| Tuition fees | 4 188 | 2 973 | 4 686 | 6 684 | 6 684 | 6 906 | 8 225 | 8 801 | 9 417 |
| Laboratory services (soil and animal testing) | 2 007 | 2 050 | 2 731 | 2 642 | 2 642 | 2 818 | 3 150 | 3 370 | 3 606 |
| Sale of surplus agricultural produce | 1 027 | 1 430 | 1 483 | 1 575 | 1 575 | 1 726 | 1 863 | 1 994 | 2 133 |
| Other | 751 | 818 | 886 | 980 | 980 | 978 | 1 000 | 1 050 | 1 108 |
| Sale of scrap, waste, arms and other used current goods (excl. capital assets) | 8 | - | 1 | - | - | 1 | - | - | - |
| Transfers received from: | - | - | - | - | - | - | - | - | - |
| Other governmental units | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments | - | - | - | - | - | - | - | - | - |
| International organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Households and non-profit institutions | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | 44 | 26 | 224 | 20 | 20 | 177 | 21 | 22 | 23 |
| Interest | 30 | 19 | 224 | 20 | 20 | 177 | 21 | 22 | 23 |
| Dividends | - | - | - | - | - | - | - | - | - |
| Rent on land | 14 | 7 | - | - | - | - | - | - | - |
| Sale of capital assets | 5 218 | 2 730 | 138 | 3 801 | 3 801 | 9 099 | 3 000 | 3 300 | 3 630 |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Other capital assets | 5 218 | 2 730 | 138 | 3 801 | 3 801 | 9 099 | 3 000 | 3 300 | 3 630 |
| Transactions in financial assets and liabilities | 1 289 | 1 800 | 1 811 | 500 | 500 | 665 | 500 | 526 | 560 |
| Total | 20 516 | 19 376 | 17 882 | 21 302 | 21 302 | 27 586 | 23 292 | 24 732 | 26 299 |

Table 3.B : Payments and estimates by economic classification: Agriculture and Rural Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2014/15 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 1 349 637 | 1 636 620 | 1 657 712 | 1 759 836 | 1 801 711 | 1 801 711 | 1 829 246 | 1 904 398 | 2 005 588 |
| Compensation of employees | 711 672 | 761 872 | 832 928 | 887 517 | 870 178 | 870 178 | 964 988 | 1 030 428 | 1 099 634 |
| Salaries and wages | 616 906 | 659 398 | 721 705 | 768 873 | 751 534 | 751 534 | 843 030 | 901 647 | 963 714 |
| Social contributions | 94 766 | 102 474 | 111 223 | 118 644 | 118 644 | 118 644 | 121 958 | 128 781 | 135 920 |
| Goods and services | 637 911 | 874 721 | 824 673 | 872 319 | 931 533 | 931 533 | 864 258 | 873 970 | 905 954 |
| Administrative fees | 99 | 71 | 304 | 1 627 | 1 076 | 1 076 | 572 | 610 | 644 |
| Advertising | 12 613 | 21 755 | 20 639 | 12 172 | 11 631 | 11 631 | 11 031 | 11 732 | 12 446 |
| Assets less than the capitalisation threshold | 6 518 | 5 431 | 9 406 | 16 134 | 13 146 | 13 146 | 15 304 | 15 433 | 15 870 |
| Audit cost: External | 3 961 | 4 295 | 14 013 | 4 511 | 9 428 | 9 428 | 4 719 | 4 969 | 5 232 |
| Bursaries: Employees | 6 486 | 12 369 | 6 086 | 577 | 2 460 | 2 460 | 7 323 | 7 664 | 8 014 |
| Catering: Departmental activities | 9 651 | 8 365 | 8 629 | 3 478 | 2 961 | 2 961 | 3 396 | 3 576 | 3 759 |
| Communication (G&S) | 26 022 | 30 661 | 42 973 | 27 130 | 40 975 | 40 975 | 38 050 | 35 144 | 36 383 |
| Computer services | 14 125 | 18 672 | 32 166 | 24 492 | 28 780 | 28 780 | 40 928 | 43 423 | 44 854 |
| Cons & prof serv: Business and advisory services | 1 762 | 479 | 93 | 4 712 | 3 725 | 3 725 | 3 844 | 4 041 | 3 997 |
| Cons & prof serv: Infras and planning | 49 690 | 125 030 | 148 215 | 258 756 | 169 383 | 169 383 | 104 687 | 111 610 | 114 192 |
| Cons & prof serv: Laboratory services | 1 | 5 | - | 886 | 363 | 363 | 977 | 1 030 | 1 083 |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 4 867 | 4 410 | 4 184 | 7 496 | 5 372 | 5 372 | 5 253 | 5 519 | 5 776 |
| Contractors | 30 684 | 57 840 | 74 576 | 26 235 | 71 692 | 71 692 | 68 946 | 71 255 | 73 623 |
| Agency and support / outsourced services | 36 082 | 17 849 | 9 998 | 47 129 | 49 113 | 49 113 | 41 656 | 43 433 | 45 255 |
| Entertainment | 139 | - | - | 382 | - | - | 99 | 104 | 110 |
| Fleet services (incl. govt motor transport) | 22 282 | 29 227 | 35 813 | 28 599 | 36 535 | 36 535 | 41 555 | 43 775 | 45 822 |
| Housing | 36 | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 5 813 | - | 2 386 | 2 386 | 1 439 | 1 516 | 1 592 |
| Inventory: Farming supplies | - | - | 143 060 | 79 589 | 142 078 | 142 078 | 145 897 | 129 389 | 133 328 |
| Inventory: Food and food supplies | 108 | 240 | 8 | 1 969 | 2 137 | 2 137 | 566 | 593 | 620 |
| Inventory: Fuel, oil and gas | 6 697 | 8 722 | 10 338 | 2 763 | 10 254 | 10 254 | 12 587 | 12 910 | 14 065 |
| Inventory: Learner and teacher support material | 918 | 1 150 | 920 | 2 484 | 1 436 | 1 436 | 1 915 | 2 017 | 2 118 |
| Inventory: Materials and supplies | 4 496 | 7 812 | 5 551 | 3 647 | 12 519 | 12 519 | 7 699 | 7 888 | 8 108 |
| Inventory: Medical supplies | 183 | 327 | 592 | 9 372 | 8 692 | 8 692 | 8 711 | 9 172 | 9 247 |
| Inventory: Medicine | 10 873 | 42 122 | 17 315 | - | 22 363 | 22 363 | 12 263 | 12 788 | 13 383 |
| Medias inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | 2 861 | - | 889 | 889 | 27 | 31 | 37 |
| Consumable supplies | 240 825 | 281 311 | 23 294 | 152 366 | 67 256 | 67 256 | 58 374 | 59 278 | 59 882 |
| Consumable: Stationery, printing and office supplies | 9 806 | 9 535 | 10 962 | 11 138 | 5 338 | 5 338 | 13 602 | 14 067 | 14 777 |
| Operating leases | 12 114 | 25 325 | 25 104 | 16 635 | 26 945 | 26 945 | 29 947 | 31 244 | 32 711 |
| Property payments | 30 567 | 48 698 | 58 369 | 38 332 | 60 966 | 60 966 | 63 313 | 66 493 | 69 620 |
| Transport provided: Departmental activity | 4 301 | 1 120 | 1 044 | - | 224 | 224 | 660 | 702 | 747 |
| Travel and subsistence | 65 514 | 84 208 | 92 029 | 67 101 | 83 373 | 83 373 | 93 636 | 97 432 | 102 112 |
| Training and development | 13 584 | 11 939 | 10 430 | 17 541 | 17 415 | 17 415 | 14 742 | 15 183 | 16 093 |
| Operating payments | 5 097 | 7 023 | 6 752 | 2 027 | 10 286 | 10 286 | 7 062 | 7 417 | 7 784 |
| Venues and facilities | 7 810 | 7 021 | 3 079 | 3 039 | 10 326 | 10 326 | 3 478 | 2 532 | 2 670 |
| Rental and hiring | - | 1 709 | 57 | - | 10 | 10 | - | - | - |
| Interest and rent on land | 54 | 27 | 111 | - | - | - | - | - | - |
| Interest | - | 27 | 38 | - | - | - | - | - | - |
| Rent on land | 54 | - | 73 | - | - | - | - | - | - |
| Transfers and subsidies | 191 208 | 234 383 | 167 945 | 178 412 | 192 657 | 192 657 | 185 514 | 194 122 | 204 178 |
| Provinces and municipalities | 648 | 1 207 | 869 | 533 | 788 | 788 | 1 260 | 1 325 | 1 390 |
| Provinces | 648 | 1 207 | 869 | 533 | 788 | 788 | 1 260 | 1 325 | 1 390 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 648 | 1 207 | 869 | 533 | 788 | 788 | 1 260 | 1 325 | 1 390 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 126 761 | 140 734 | 101 152 | 106 410 | 110 771 | 110 771 | 123 119 | 128 397 | 134 948 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 126 761 | 140 734 | 101 152 | 106 410 | 110 771 | 110 771 | 123 119 | 128 397 | 134 948 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 47 561 | 71 008 | 55 243 | 65 252 | 67 252 | 67 252 | 54 809 | 57 739 | 60 826 |
| Public corporations | 47 561 | 69 569 | 49 243 | 65 252 | 65 252 | 65 252 | 54 809 | 57 739 | 60 826 |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | 47 561 | 69 569 | 49 243 | 65 252 | 65 252 | 65 252 | 54 809 | 57 739 | 60 826 |
| Private enterprises | - | 1 439 | 6 000 | - | 2 000 | 2 000 | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | 1 439 | 6 000 | - | 2 000 | 2 000 | - | - | - |
| Non-profit institutions | 4 905 | 10 291 | 250 | - | 6 050 | 6 050 | - | - | - |
| Households | 11 333 | 11 143 | 10 431 | 6 217 | 7 796 | 7 796 | 6 326 | 6 661 | 7 014 |
| Social benefits | 8 245 | 10 469 | 10 426 | 6 217 | 7 796 | 7 796 | 6 326 | 6 661 | 7 014 |
| Other transfers to households | 3 088 | 674 | 5 | - | - | - | - | - | - |
| Payments for capital assets | 241 699 | 238 588 | 178 798 | 194 878 | 175 578 | 175 578 | 188 314 | 192 157 | 199 689 |
| Buildings and other fixed structures | 96 623 | 155 083 | 133 464 | 140 687 | 121 387 | 121 387 | 115 444 | 121 751 | 126 291 |
| Buildings | 7 158 | 21 466 | 5 727 | 18 969 | 18 969 | 18 969 | 15 230 | 17 775 | 17 759 |
| Other fixed structures | 89 465 | 133 617 | 127 737 | 121 718 | 102 418 | 102 418 | 100 214 | 103 976 | 108 532 |
| Machinery and equipment | 137 479 | 73 308 | 44 817 | 53 092 | 53 092 | 53 092 | 72 029 | 69 522 | 72 224 |
| Transport equipment | 27 266 | 38 944 | 16 253 | 18 305 | 18 305 | 18 305 | 17 437 | 18 228 | 19 148 |
| Other machinery and equipment | 110 213 | 34 364 | 28 564 | 34 787 | 34 787 | 34 787 | 54 592 | 51 294 | 53 076 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | 7 354 | 9 542 | 474 | 586 | 586 | 586 | 606 | 636 | 668 |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 243 | 655 | 43 | 513 | 513 | 513 | 235 | 248 | 506 |
| Payments for financial assets | 422 | - | 1 073 | - | - | - | - | - | - |
| Total | 1 782 966 | 2 109 591 | 2 005 528 | 2 133 126 | 2 169 946 | 2 169 946 | 2 203 074 | 2 290 677 | 2 409 455 |

Table 3.C : Payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 220 005 | 276 180 | 292 585 | 284 359 | 288 213 | 288 213 | 355 977 | 372 308 | 392 628 |
| Compensation of employees | 117 596 | 128 737 | 120 136 | 143 987 | 127 295 | 127 295 | 170 652 | 182 116 | 193 900 |
| Salaries and wages | 104 226 | 112 833 | 105 147 | 129 392 | 112 700 | 112 700 | 154 175 | 164 584 | 175 779 |
| Social contributions | 13 370 | 15 904 | 14 989 | 14 595 | 14 595 | 14 595 | 16 477 | 17 532 | 18 121 |
| Goods and services | 102 355 | 147 416 | 172 368 | 140 372 | 160 918 | 160 918 | 185 325 | 190 192 | 198 728 |
| Administrative fees | 16 | - | - | 35 | 12 | 12 | 14 | 15 | 16 |
| Advertising | 11 273 | 20 330 | 20 070 | 9 680 | 10 106 | 10 106 | 9 517 | 10 107 | 10 779 |
| Assets less than the capitalisation threshold | 2 552 | 710 | 1 059 | 2 167 | 1 540 | 1 540 | 1 456 | 1 329 | 1 450 |
| Audit cost: External | 3 961 | 4 295 | 14 013 | 4 511 | 9 428 | 9 428 | 4 719 | 4 969 | 5 232 |
| Bursaries: Employees | 4 273 | 9 973 | 305 | - | 1 836 | 1 836 | 6 719 | 7 028 | 7 344 |
| Catering: Departmental activities | 921 | 1 926 | 686 | 1 375 | 948 | 948 | 927 | 954 | 1 000 |
| Communication (G&S) | 11 763 | 14 261 | 24 733 | 6 989 | 16 958 | 16 958 | 12 415 | 8 226 | 8 620 |
| Computer services | 13 449 | 18 077 | 29 580 | 21 150 | 28 434 | 28 434 | 38 882 | 41 247 | 42 551 |
| Cons & prof serv: Business and advisory services | 1 315 | 436 | 1 | 4 238 | 3 725 | 3 725 | 3 844 | 4 041 | 3 997 |
| Cons & prof serv: Infras and planning | 29 | 553 | 165 | 1 635 | 1 064 | 1 064 | 2 000 | 2 126 | 2 222 |
| Cons & prof serv: Laboratory services | - | 5 | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 4 863 | 4 410 | 4 184 | 7 496 | 5 372 | 5 372 | 5 253 | 5 519 | 5 776 |
| Contractors | 3 690 | 7 399 | 9 472 | 971 | 6 439 | 6 439 | 9 640 | 10 165 | 10 655 |
| Agency and support / outsourced services | 7 622 | 353 | 1 | 18 823 | 6 612 | 6 612 | 11 658 | 12 264 | 12 817 |
| Entertainment | - | - | - | 95 | - | - | 99 | 104 | 110 |
| Fleet services (incl. govt motor transport) | 2 362 | 6 766 | 6 320 | 10 336 | 6 797 | 6 797 | 10 335 | 11 115 | 11 682 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 56 | - | 433 | 433 | 12 | 13 | 14 |
| Inventory: Farming supplies | - | - | 1 | - | - | - | - | - | - |
| Inventory: Food and food supplies | 61 | 78 | 1 | 212 | 79 | 79 | 399 | 420 | 441 |
| Inventory: Fuel, oil and gas | - | 84 | - | 89 | - | - | 50 | - | - |
| Inventory: Learner and teacher support material | 84 | 9 | 146 | 257 | 175 | 175 | - | - | - |
| Inventory: Materials and supplies | 90 | 79 | 184 | 158 | 320 | 320 | 238 | 180 | 188 |
| Inventory: Medical supplies | 8 | - | 9 | 6 | 84 | 84 | 2 | 2 | 2 |
| Inventory: Medicine | 37 | 67 | 85 | - | - | - | - | - | - |
| Medas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | 12 | 15 | 20 |
| Consumable supplies | 664 | 741 | 764 | 897 | 1 108 | 1 108 | 979 | 1 031 | 1 081 |
| Consumable: Stationery, printing and office supplies | 4 383 | 5 290 | 5 491 | 3 652 | 4 301 | 4 301 | 6 191 | 6 393 | 6 745 |
| Operating leases | 977 | 1 350 | 1 279 | 1 808 | 1 723 | 1 723 | 2 445 | 2 566 | 2 739 |
| Property payments | 10 884 | 21 524 | 25 356 | 10 670 | 25 583 | 25 583 | 25 816 | 27 184 | 28 408 |
| Transport provided: Departmental activity | 287 | 594 | 372 | - | 15 | 15 | 660 | 702 | 747 |
| Travel and subsistence | 13 334 | 20 950 | 22 094 | 24 732 | 20 117 | 20 117 | 22 688 | 23 726 | 24 943 |
| Training and development | 2 245 | 5 005 | 4 734 | 7 384 | 6 029 | 6 029 | 7 073 | 7 448 | 7 783 |
| Operating payments | 619 | 1 082 | 1 033 | 396 | 1 210 | 1 210 | 669 | 690 | 721 |
| Venues and facilities | 593 | 1 069 | 174 | 610 | 464 | 464 | 613 | 613 | 645 |
| Rental and hiring | - | - | - | - | 6 | 6 | - | - | - |
| Interest and rent on land | 54 | 27 | 81 | - | - | - | - | - | - |
| Interest | - | 27 | 8 | - | - | - | - | - | - |
| Rent on land | 54 | - | 73 | - | - | - | - | - | - |
| Transfers and subsidies | 3 356 | 2 227 | 1 144 | 307 | 1 473 | 1 473 | 980 | 1 030 | 1 080 |
| Provinces and municipalities | 291 | 701 | 471 | 307 | 541 | 541 | 980 | 1 030 | 1 080 |
| Provinces | 291 | 701 | 471 | 307 | 541 | 541 | 980 | 1 030 | 1 080 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 291 | 701 | 471 | 307 | 541 | 541 | 980 | 1 030 | 1 080 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | 30 | 8 | - | - | - | - | - | - |
| Public corporations | - | 30 | 8 | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | 30 | 8 | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 3 065 | 1 496 | 665 | - | 932 | 932 | - | - | - |
| Social benefits | 1 630 | 822 | 660 | - | 932 | 932 | - | - | - |
| Other transfers to households | 1 435 | 674 | 5 | - | - | - | - | - | - |
| Payments for capital assets | 31 559 | 54 862 | 25 406 | 44 525 | 44 525 | 44 525 | 50 873 | 47 342 | 48 264 |
| Buildings and other fixed structures | 6 448 | 21 466 | 10 678 | 18 969 | 18 969 | 18 969 | 17 229 | 17 775 | 17 759 |
| Buildings | 6 448 | 21 466 | 5 727 | 18 969 | 18 969 | 18 969 | 15 230 | 17 775 | 17 759 |
| Other fixed structures | - | - | 4 951 | - | - | - | 1 999 | - | - |
| Machinery and equipment | 25 111 | 32 921 | 14 728 | 25 479 | 25 479 | 25 479 | 33 644 | 29 567 | 30 505 |
| Transport equipment | 19 232 | 19 381 | 11 171 | 15 935 | 15 935 | 15 935 | 14 958 | 15 618 | 16 400 |
| Other machinery and equipment | 5 879 | 13 540 | 3 557 | 9 544 | 9 544 | 9 544 | 18 686 | 13 949 | 14 105 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | 475 | - | 77 | 77 | 77 | - | - | - |
| Payments for financial assets | 422 | - | 1 073 | - | - | - | - | - | - |
| Total | 255 342 | 333 269 | 320 208 | 329 191 | 334 211 | 334 211 | 407 830 | 420 680 | 441 972 |

Table 3.D : Payments and estimates by economic classification: Agriculture

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| R thousand | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 1 129 632 | 1 360 440 | 1 365 127 | 1 475 477 | 1 513 498 | 1 513 498 | 1 455 291 | 1 512 815 | 1 592 492 |
| Compensation of employees | 594 076 | 633 135 | 712 792 | 743 530 | 742 883 | 742 883 | 777 848 | 830 603 | 886 910 |
| Salaries and wages | 512 680 | 546 565 | 616 558 | 639 481 | 638 834 | 638 834 | 675 413 | 722 588 | 772 548 |
| Social contributions | 81 396 | 86 570 | 96 234 | 104 049 | 104 049 | 104 049 | 102 435 | 108 015 | 114 362 |
| Goods and services | 535 556 | 727 305 | 652 305 | 731 947 | 770 615 | 770 615 | 677 443 | 682 212 | 705 582 |
| Administrative fees | 83 | 71 | 304 | 1 592 | 1 064 | 1 064 | 558 | 595 | 628 |
| Advertising | 1 340 | 1 425 | 569 | 2 492 | 1 525 | 1 525 | 1 514 | 1 625 | 1 667 |
| Assets less than the capitalisation threshold | 3 966 | 4 721 | 8 347 | 13 967 | 11 606 | 11 606 | 13 678 | 13 925 | 14 232 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | 2 213 | 2 396 | 5 781 | 577 | 624 | 624 | 604 | 636 | 670 |
| Catering: Departmental activities | 8 730 | 6 439 | 7 943 | 2 103 | 2 013 | 2 013 | 2 469 | 2 622 | 2 759 |
| Communication (G&S) | 14 259 | 16 400 | 18 240 | 20 141 | 24 017 | 24 017 | 25 520 | 26 797 | 27 636 |
| Computer services | 676 | 595 | 2 586 | 3 342 | 346 | 346 | 2 046 | 2 176 | 2 303 |
| Cons & prof serv: Business and advisory services | 447 | 43 | 92 | 474 | - | - | - | - | - |
| Cons & prof serv: Infras and planning | 49 661 | 124 477 | 148 050 | 257 121 | 168 319 | 168 319 | 102 687 | 109 484 | 111 970 |
| Cons & prof serv: Laboratory services | 1 | - | - | 886 | 363 | 363 | 977 | 1 030 | 1 083 |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 4 | - | - | - | - | - | - | - | - |
| Contractors | 26 994 | 50 441 | 65 104 | 25 264 | 65 253 | 65 253 | 59 306 | 61 090 | 62 968 |
| Agency and support / outsourced services | 28 460 | 17 496 | 9 997 | 28 306 | 42 501 | 42 501 | 29 998 | 31 169 | 32 438 |
| Entertainment | 139 | - | - | 287 | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | 19 920 | 22 461 | 29 493 | 18 263 | 29 738 | 29 738 | 31 081 | 32 514 | 33 987 |
| Housing | 36 | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 5 757 | - | 1 953 | 1 953 | 1 427 | 1 503 | 1 578 |
| Inventory: Farming supplies | - | - | 143 059 | 79 589 | 142 078 | 142 078 | 145 897 | 129 389 | 133 328 |
| Inventory: Food and food supplies | 47 | 162 | 7 | 1 757 | 2 058 | 2 058 | 167 | 173 | 179 |
| Inventory: Fuel, oil and gas | 6 697 | 8 638 | 10 338 | 2 674 | 10 254 | 10 254 | 12 537 | 12 910 | 14 065 |
| Inventory: Learner and teacher support material | 834 | 1 141 | 774 | 2 227 | 1 261 | 1 261 | 1 915 | 2 017 | 2 118 |
| Inventory: Materials and supplies | 4 406 | 7 733 | 5 367 | 3 489 | 12 199 | 12 199 | 7 461 | 7 708 | 7 920 |
| Inventory: Medical supplies | 175 | 327 | 583 | 9 366 | 8 608 | 8 608 | 8 709 | 9 170 | 9 245 |
| Inventory: Medicine | 10 836 | 42 055 | 17 230 | - | 22 363 | 22 363 | 12 263 | 12 788 | 13 383 |
| Medias inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | 2 861 | - | 889 | 889 | 15 | 16 | 17 |
| Consumable supplies | 240 161 | 280 570 | 22 530 | 151 469 | 66 148 | 66 148 | 57 395 | 58 247 | 58 801 |
| Consumable: Stationery, printing and office supplies | 5 423 | 4 245 | 5 471 | 7 486 | 1 037 | 1 037 | 7 315 | 7 573 | 7 926 |
| Operating leases | 11 137 | 23 975 | 23 825 | 14 822 | 25 222 | 25 222 | 27 429 | 28 602 | 29 892 |
| Property payments | 19 683 | 27 174 | 33 013 | 27 662 | 35 383 | 35 383 | 37 497 | 39 309 | 41 212 |
| Transport provided: Departmental activity | 4 014 | 526 | 672 | - | 209 | 209 | - | - | - |
| Travel and subsistence | 52 180 | 63 258 | 69 935 | 42 369 | 63 256 | 63 256 | 70 051 | 72 763 | 76 179 |
| Training and development | 11 339 | 6 934 | 5 696 | 10 157 | 11 386 | 11 386 | 7 669 | 7 735 | 8 310 |
| Operating payments | 4 478 | 5 941 | 5 719 | 1 631 | 9 076 | 9 076 | 6 393 | 6 727 | 7 063 |
| Venues and facilities | 7 217 | 5 952 | 2 905 | 2 429 | 9 862 | 9 862 | 2 865 | 1 919 | 2 025 |
| Rental and hiring | - | 1 709 | 57 | - | 4 | 4 | - | - | - |
| Interest and rent on land | - | - | 30 | - | - | - | - | - | - |
| Interest | - | - | 30 | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 187 852 | 232 156 | 166 801 | 178 105 | 191 184 | 191 184 | 184 534 | 193 092 | 203 098 |
| Provinces and municipalities | 357 | 506 | 398 | 226 | 247 | 247 | 280 | 295 | 310 |
| Provinces | 357 | 506 | 398 | 226 | 247 | 247 | 280 | 295 | 310 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 357 | 506 | 398 | 226 | 247 | 247 | 280 | 295 | 310 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 126 761 | 140 734 | 101 152 | 106 410 | 110 771 | 110 771 | 123 119 | 128 397 | 134 948 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 126 761 | 140 734 | 101 152 | 106 410 | 110 771 | 110 771 | 123 119 | 128 397 | 134 948 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 47 561 | 70 978 | 55 235 | 65 252 | 67 252 | 67 252 | 54 809 | 57 739 | 60 826 |
| Public corporations | 47 561 | 69 539 | 49 235 | 65 252 | 65 252 | 65 252 | 54 809 | 57 739 | 60 826 |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | 47 561 | 69 539 | 49 235 | 65 252 | 65 252 | 65 252 | 54 809 | 57 739 | 60 826 |
| Private enterprises | - | 1 439 | 6 000 | - | 2 000 | 2 000 | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | 1 439 | 6 000 | - | 2 000 | 2 000 | - | - | - |
| Non-profit institutions | 4 905 | 10 291 | 250 | - | 6 050 | 6 050 | - | - | - |
| Households | 8 268 | 9 647 | 9 766 | 6 217 | 6 864 | 6 864 | 6 326 | 6 661 | 7 014 |
| Social benefits | 6 615 | 9 647 | 9 766 | 6 217 | 6 864 | 6 864 | 6 326 | 6 661 | 7 014 |
| Other transfers to households | 1 653 | - | - | - | - | - | - | - | - |
| Payments for capital assets | 210 140 | 183 726 | 153 392 | 150 353 | 131 053 | 131 053 | 136 458 | 144 125 | 150 930 |
| Buildings and other fixed structures | 90 175 | 133 617 | 122 786 | 121 718 | 102 418 | 102 418 | 98 215 | 103 976 | 108 532 |
| Buildings | 710 | - | - | - | - | - | - | - | - |
| Other fixed structures | 89 465 | 133 617 | 122 786 | 121 718 | 102 418 | 102 418 | 98 215 | 103 976 | 108 532 |
| Machinery and equipment | 112 368 | 40 387 | 30 089 | 27 613 | 27 613 | 27 613 | 37 402 | 39 265 | 41 224 |
| Transport equipment | 8 034 | 19 563 | 5 082 | 2 370 | 2 370 | 2 370 | 2 479 | 2 610 | 2 748 |
| Other machinery and equipment | 104 334 | 20 824 | 25 007 | 25 243 | 25 243 | 25 243 | 34 923 | 36 655 | 38 476 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | 7 354 | 9 542 | 474 | 586 | 586 | 586 | 606 | 636 | 668 |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 243 | 180 | 43 | 436 | 436 | 436 | 235 | 248 | 506 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 1 527 624 | 1 776 322 | 1 685 320 | 1 803 935 | 1 835 735 | 1 835 735 | 1 776 283 | 1 850 032 | 1 946 520 |

Table 3.E : Details of payments and estimates by economic classification - Sub-programme: Sustainable Resource Management

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 63 209 | 88 890 | 106 138 | 94 926 | 94 926 | 94 926 | 97 076 | 100 324 | 105 426 |
| Compensation of employees | 23 359 | 24 183 | 24 153 | 24 386 | 24 386 | 24 386 | 26 094 | 27 930 | 29 873 |
| Salaries and wages | 20 354 | 21 062 | 21 061 | 22 754 | 22 754 | 22 754 | 24 387 | 26 133 | 27 963 |
| Social contributions | 3 005 | 3 121 | 3 092 | 1 632 | 1 632 | 1 632 | 1 707 | 1 797 | 1 910 |
| Goods and services | 39 850 | 64 707 | 81 985 | 70 540 | 70 540 | 70 540 | 70 982 | 72 394 | 75 553 |
| Administrative fees | - | - | - | 50 | - | - | 52 | 55 | 58 |
| Advertising | 72 | - | 10 | 40 | 23 | 23 | 42 | 44 | 46 |
| Minor assets | 56 | 62 | 228 | 595 | 302 | 302 | 622 | 655 | 670 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | 150 | - | - | 157 | 165 | 174 |
| Catering: Departmental activities | 213 | 208 | 253 | 235 | 150 | 150 | 246 | 259 | 273 |
| Communication (G&S) | 266 | 394 | 279 | 564 | 389 | 389 | 587 | 618 | 651 |
| Computer services | 337 | 358 | 405 | 527 | 242 | 242 | 551 | 580 | 611 |
| Cons & prof serv: Business and advisory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Infras and planning | 22 094 | 44 185 | 59 844 | 39 416 | 34 213 | 34 213 | 42 466 | 42 393 | 44 007 |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 927 | 111 | 139 | 668 | 636 | 636 | 699 | 736 | 775 |
| Agency and support / outsourced services | - | - | - | 4 181 | 4 181 | 4 181 | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | 2 | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 4 283 | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | 2 766 | - | 789 | 789 | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 5 | 1 | 1 603 | 86 | 512 | 512 | 90 | 95 | 100 |
| Inventory: Medical supplies | - | - | - | 16 | - | - | 17 | 18 | 19 |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 10 757 | 12 931 | 5 993 | 18 171 | 18 126 | 18 126 | 19 344 | 20 343 | 21 395 |
| Consumable: Stationery, printing and office supplies | 75 | 74 | 130 | 406 | 136 | 136 | 425 | 448 | 472 |
| Operating leases | 62 | 8 | 56 | 78 | 83 | 83 | 82 | 86 | 90 |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 4 598 | 5 930 | 5 480 | 4 593 | 5 226 | 5 226 | 4 803 | 5 058 | 5 326 |
| Training and development | 174 | 69 | 323 | 464 | 111 | 111 | 485 | 511 | 538 |
| Operating payments | 182 | 213 | 193 | 150 | 271 | 271 | 157 | 165 | 174 |
| Venues and facilities | 30 | 163 | - | 150 | 5 150 | 5 150 | 157 | 165 | 174 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 163 | 1 510 | 1 485 | 2 183 | 2 183 | 2 183 | 1 947 | 2 076 | 2 213 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | 1 121 | 1 431 | 1 756 | 1 756 | 1 756 | 1 500 | 1 605 | 1 717 |
| Public corporations | - | 1 121 | 1 431 | 1 756 | 1 756 | 1 756 | 1 500 | 1 605 | 1 717 |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | 1 121 | 1 431 | 1 756 | 1 756 | 1 756 | 1 500 | 1 605 | 1 717 |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 163 | 389 | 54 | 427 | 427 | 427 | 447 | 471 | 496 |
| Social benefits | 163 | 389 | 54 | 427 | 427 | 427 | 447 | 471 | 496 |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 943 | 394 | 4 738 | 2 423 | 2 423 | 2 423 | 2 534 | 2 669 | 2 781 |
| Buildings and other fixed structures | 182 | - | 2 268 | - | - | - | - | - | - |
| Buildings | 182 | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | 2 268 | - | - | - | - | - | - |
| Machinery and equipment | 761 | 394 | 2 443 | 2 355 | 2 355 | 2 355 | 2 463 | 2 594 | 2 702 |
| Transport equipment | - | 93 | 54 | - | - | - | - | - | - |
| Other machinery and equipment | 761 | 301 | 2 389 | 2 355 | 2 355 | 2 355 | 2 463 | 2 594 | 2 702 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | 27 | 68 | 68 | 68 | 71 | 75 | 79 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 64 315 | 90 794 | 112 361 | 99 532 | 99 532 | 99 532 | 101 557 | 105 069 | 110 420 |

Table 3.F : Details of payments and estimates by economic classification - Sub-programme: Farmer Support and Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 746 796 | 890 815 | 865 740 | 962 300 | 1 003 903 | 1 003 903 | 943 401 | 973 988 | 1 025 016 |
| Compensation of employees | 329 834 | 354 890 | 398 163 | 435 601 | 432 948 | 432 948 | 461 922 | 494 257 | 528 701 |
| Salaries and wages | 280 251 | 302 359 | 340 255 | 371 193 | 368 540 | 368 540 | 394 668 | 423 440 | 453 424 |
| Social contributions | 49 583 | 52 531 | 57 908 | 64 408 | 64 408 | 64 408 | 67 254 | 70 817 | 75 277 |
| Goods and services | 416 962 | 535 925 | 467 555 | 526 699 | 570 955 | 570 955 | 481 479 | 479 731 | 496 315 |
| Administrative fees | - | 10 | 199 | 1 097 | 922 | 922 | 50 | 60 | 65 |
| Advertising | 1 082 | 1 420 | 559 | 1 661 | 997 | 997 | 1 100 | 1 190 | 1 210 |
| Minor assets | 2 474 | 2 775 | 4 306 | 10 105 | 8 477 | 8 477 | 9 570 | 9 600 | 9 705 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | 2 396 | 5 781 | 427 | 624 | 624 | 447 | 471 | 496 |
| Catering: Departmental activities | 8 431 | 6 083 | 6 485 | 1 738 | 1 749 | 1 749 | 1 800 | 1 914 | 2 015 |
| Communication (G&S) | 12 713 | 14 479 | 16 559 | 18 105 | 22 074 | 22 074 | 23 097 | 24 247 | 24 954 |
| Computer services | 160 | 27 | 1 969 | 2 697 | - | - | 1 100 | 1 180 | 1 254 |
| Cons & prof serv: Business and advisory services | 447 | 43 | 92 | 474 | - | - | - | - | - |
| Cons & prof serv: Infras and planning | 24 897 | 72 220 | 88 206 | 188 731 | 105 909 | 105 909 | 59 928 | 66 783 | 67 640 |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 4 | - | - | - | - | - | - | - | - |
| Contractors | 20 089 | 41 765 | 60 554 | 19 025 | 58 663 | 58 663 | 52 355 | 53 770 | 55 278 |
| Agency and support / outsourced services | 14 496 | 6 139 | 1 766 | 5 379 | 26 447 | 26 447 | 9 800 | 9 900 | 10 254 |
| Entertainment | 139 | - | - | 287 | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | 18 295 | 20 514 | 27 153 | 15 956 | 28 310 | 28 310 | 29 690 | 31 050 | 32 448 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 473 | - | 833 | 833 | - | - | - |
| Inventory: Farming supplies | - | - | 119 688 | 79 589 | 135 176 | 135 176 | 135 837 | 118 795 | 122 205 |
| Inventory: Food and food supplies | 40 | 142 | 7 | 1 611 | 1 960 | 1 960 | 140 | 145 | 150 |
| Inventory: Fuel, oil and gas | 5 135 | 6 123 | 7 921 | 874 | 8 779 | 8 779 | 8 900 | 9 080 | 10 041 |
| Inventory: Learner and teacher support material | 1 | 15 | - | 110 | - | - | - | - | - |
| Inventory: Materials and supplies | 2 327 | 6 736 | 2 014 | 1 570 | 10 093 | 10 093 | 4 500 | 4 590 | 4 645 |
| Inventory: Medical supplies | 12 | 55 | - | 129 | - | - | - | - | - |
| Inventory: Medicine | 6 144 | 23 047 | 13 110 | - | 10 790 | 10 790 | 11 500 | 11 985 | 12 540 |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 215 049 | 237 721 | 14 026 | 105 356 | 38 455 | 38 455 | 24 500 | 25 158 | 26 290 |
| Consumable: Stationery, printing and office supplies | 2 344 | 2 574 | 3 536 | 4 387 | 4 387 | 4 387 | 3 865 | 3 939 | 4 107 |
| Operating leases | 9 846 | 22 222 | 22 620 | 13 155 | 23 699 | 23 699 | 24 859 | 25 895 | 27 050 |
| Property payments | 18 277 | 16 874 | 20 175 | 23 974 | 23 974 | 23 974 | 25 371 | 26 541 | 27 805 |
| Transport provided: Departmental activity | 4 014 | 526 | 672 | - | 209 | 209 | - | - | - |
| Travel and subsistence | 29 714 | 34 130 | 37 992 | 24 194 | 40 713 | 40 713 | 42 800 | 44 068 | 46 080 |
| Training and development | 11 010 | 6 786 | 4 918 | 3 466 | 6 418 | 6 418 | 3 440 | 3 280 | 3 683 |
| Operating payments | 2 882 | 4 158 | 3 869 | 1 035 | 6 676 | 6 676 | 4 990 | 5 250 | 5 510 |
| Venues and facilities | 6 940 | 5 352 | 2 905 | 1 567 | 4 621 | 4 621 | 1 840 | 840 | 890 |
| Rental and hiring | - | 1 593 | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | 22 | - | - | - | - | - | - |
| Interest | - | - | 22 | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 180 196 | 217 887 | 161 577 | 175 452 | 181 849 | 181 849 | 182 028 | 190 428 | 200 266 |
| Provinces and municipalities | 355 | 418 | 398 | 226 | 247 | 247 | 280 | 295 | 310 |
| Provinces | 355 | 418 | 398 | 226 | 247 | 247 | 280 | 295 | 310 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 355 | 418 | 398 | 226 | 247 | 247 | 280 | 295 | 310 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 126 761 | 140 734 | 101 152 | 106 410 | 110 771 | 110 771 | 123 119 | 128 397 | 134 948 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | 126 761 | 140 734 | 101 152 | 106 410 | 110 771 | 110 771 | 123 119 | 128 397 | 134 948 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 47 561 | 69 857 | 53 804 | 63 496 | 65 496 | 65 496 | 53 309 | 56 134 | 59 109 |
| Public corporations | 47 561 | 68 418 | 47 804 | 63 496 | 63 496 | 63 496 | 53 309 | 56 134 | 59 109 |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | 47 561 | 68 418 | 47 804 | 63 496 | 63 496 | 63 496 | 53 309 | 56 134 | 59 109 |
| Private enterprises | - | 1 439 | 6 000 | - | 2 000 | 2 000 | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | 1 439 | 6 000 | - | 2 000 | 2 000 | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 5 519 | 6 878 | 6 223 | 5 320 | 5 335 | 5 335 | 5 320 | 5 602 | 5 899 |
| Social benefits | 5 472 | 6 878 | 6 223 | 5 320 | 5 335 | 5 335 | 5 320 | 5 602 | 5 899 |
| Other transfers to households | 47 | - | - | - | - | - | - | - | - |
| Payments for capital assets | 193 381 | 145 618 | 118 264 | 111 547 | 92 247 | 92 247 | 97 788 | 103 550 | 108 230 |
| Buildings and other fixed structures | 83 073 | 104 801 | 101 019 | 97 882 | 78 582 | 78 582 | 83 494 | 88 499 | 92 481 |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | 83 073 | 104 801 | 101 019 | 97 882 | 78 582 | 78 582 | 83 494 | 88 499 | 92 481 |
| Machinery and equipment | 102 956 | 31 423 | 17 161 | 13 624 | 13 576 | 13 576 | 14 251 | 15 006 | 15 702 |
| Transport equipment | 6 564 | 17 460 | 5 028 | 2 370 | 2 370 | 2 370 | 2 479 | 2 610 | 2 748 |
| Other machinery and equipment | 96 392 | 13 963 | 12 133 | 11 254 | 11 206 | 11 206 | 11 772 | 12 396 | 12 954 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | 7 196 | 9 394 | 84 | 25 | 73 | 73 | 26 | 27 | 28 |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 156 | - | - | 16 | 16 | 16 | 17 | 18 | 19 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 1 120 373 | 1 254 320 | 1 145 581 | 1 249 299 | 1 277 999 | 1 277 999 | 1 223 217 | 1 267 966 | 1 333 512 |

Table 3.G : Details of payments and estimates by economic classification - Sub-programme: Veterinary Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 109 128 | 142 311 | 131 438 | 138 954 | 133 654 | 133 654 | 145 862 | 153 708 | 161 383 |
| Compensation of employees | 83 879 | 85 725 | 94 869 | 93 322 | 93 322 | 93 322 | 107 130 | 114 446 | 122 963 |
| Salaries and wages | 72 725 | 73 578 | 81 678 | 82 320 | 82 320 | 82 320 | 95 622 | 102 328 | 110 082 |
| Social contributions | 11 154 | 12 147 | 13 191 | 11 002 | 11 002 | 11 002 | 11 508 | 12 118 | 12 881 |
| Goods and services | 25 349 | 56 586 | 36 569 | 45 632 | 40 332 | 40 332 | 38 732 | 39 262 | 38 420 |
| Administrative fees | 79 | 21 | 20 | 364 | 110 | 110 | 380 | 400 | 421 |
| Advertising | 182 | - | - | 206 | - | - | 215 | 226 | 238 |
| Minor assets | 87 | 145 | 633 | 1 010 | 875 | 875 | 1 056 | 1 112 | 1 171 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 53 | 29 | 33 | 75 | 67 | 67 | 78 | 82 | 86 |
| Communication (G&S) | 415 | 484 | 511 | 567 | 462 | 462 | 593 | 624 | 657 |
| Computer services | 11 | 6 | 9 | 118 | 7 | 7 | 123 | 130 | 137 |
| Cons & prof serv: Business and advisory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Infras and planning | - | 4 603 | - | 27 | - | - | 28 | 29 | 30 |
| Cons & prof serv: Laboratory services | 1 | - | - | 533 | - | - | 558 | 588 | 619 |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 2 358 | 2 922 | 375 | 415 | 401 | 401 | 434 | 457 | 481 |
| Agency and support / outsourced services | 367 | 689 | 380 | 4 337 | 309 | 309 | 4 537 | 4 778 | 4 869 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | 60 | 167 | 10 | 491 | - | - | 513 | 540 | 569 |
| Housing | 36 | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 152 | - | 221 | 221 | - | - | - |
| Inventory: Farming supplies | - | - | 13 146 | - | 3 615 | 3 615 | - | - | - |
| Inventory: Food and food supplies | - | 16 | - | 26 | 26 | 26 | 27 | 28 | 29 |
| Inventory: Fuel, oil and gas | 177 | 457 | 166 | 689 | 388 | 388 | 721 | 759 | 799 |
| Inventory: Learner and teacher support material | 8 | 10 | 5 | 265 | - | - | 277 | 292 | 307 |
| Inventory: Materials and supplies | 50 | 224 | 242 | 305 | 165 | 165 | 319 | 336 | 354 |
| Inventory: Medical supplies | 163 | 256 | 577 | 8 288 | 8 345 | 8 345 | 8 669 | 9 128 | 9 200 |
| Inventory: Medicine | 4 060 | 18 451 | 3 719 | - | 11 515 | 11 515 | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | 1 828 | - | 563 | 563 | - | - | - |
| Consumable supplies | 5 738 | 14 196 | 181 | 16 341 | 5 415 | 5 415 | 8 096 | 7 002 | 5 084 |
| Consumable: Stationery, printing and office supplies | 1 751 | 498 | 830 | 1 147 | (4 981) | (4 981) | 1 200 | 1 264 | 1 331 |
| Operating leases | 74 | 145 | 127 | 281 | 195 | 195 | 294 | 310 | 326 |
| Property payments | 44 | 406 | 88 | 438 | 220 | 220 | 458 | 482 | 507 |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 8 833 | 11 970 | 12 520 | 7 766 | 10 876 | 10 876 | 8 124 | 8 555 | 9 008 |
| Training and development | 103 | - | - | 1 255 | - | - | 1 313 | 1 383 | 1 400 |
| Operating payments | 699 | 865 | 1 017 | 310 | 1 538 | 1 538 | 324 | 341 | 359 |
| Venues and facilities | - | 26 | - | 378 | - | - | 395 | 416 | 438 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 5 380 | 11 476 | 1 938 | 293 | 5 593 | 5 593 | 306 | 322 | 339 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 4 905 | 10 291 | - | - | 5 300 | 5 300 | - | - | - |
| Households | 475 | 1 185 | 1 938 | 293 | 293 | 293 | 306 | 322 | 339 |
| Social benefits | 469 | 1 185 | 1 938 | 293 | 293 | 293 | 306 | 322 | 339 |
| Other transfers to households | 6 | - | - | - | - | - | - | - | - |
| Payments for capital assets | 883 | 599 | 2 436 | 2 814 | 2 814 | 2 814 | 2 943 | 3 099 | 3 263 |
| Buildings and other fixed structures | 883 | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | 883 | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | 599 | 2 436 | 2 814 | 2 814 | 2 814 | 2 943 | 3 099 | 3 263 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | 599 | 2 436 | 2 814 | 2 814 | 2 814 | 2 943 | 3 099 | 3 263 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 115 491 | 154 386 | 135 812 | 142 061 | 142 061 | 142 061 | 149 111 | 157 129 | 164 985 |

Table 3.H : Details of payments and estimates by economic classification - Sub-programme: Research and Technology Development Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 118 729 | 131 804 | 149 800 | 139 336 | 138 817 | 138 817 | 166 604 | 176 698 | 187 274 |
| Compensation of employees | 93 035 | 99 586 | 117 596 | 119 490 | 118 971 | 118 971 | 126 019 | 133 958 | 142 397 |
| Salaries and wages | 79 986 | 85 860 | 101 664 | 98 898 | 98 379 | 98 379 | 110 905 | 117 892 | 125 319 |
| Social contributions | 13 049 | 13 726 | 15 932 | 20 592 | 20 592 | 20 592 | 15 114 | 16 066 | 17 078 |
| Goods and services | 25 694 | 32 218 | 32 204 | 19 846 | 19 846 | 19 846 | 40 585 | 42 740 | 44 877 |
| Administrative fees | 1 | 1 | 1 | 10 | 3 | 3 | 2 | 2 | 2 |
| Advertising | - | - | - | 80 | - | - | - | - | - |
| Minor assets | 861 | 298 | 270 | 816 | 326 | 326 | 1 427 | 1 502 | 1 577 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 20 | 87 | 83 | 55 | 47 | 47 | 90 | 98 | 103 |
| Communication (G&S) | 247 | 318 | 248 | 123 | 245 | 245 | 423 | 445 | 467 |
| Computer services | 22 | 59 | 23 | - | 97 | 97 | 272 | 286 | 301 |
| Cons & prof serv: Business and advisory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Infras and planning | 82 | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | 14 | 11 | 11 | 419 | 442 | 464 |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 2 545 | 3 025 | 2 567 | 1 120 | 2 293 | 2 293 | 3 297 | 3 472 | 3 646 |
| Agency and support / outsourced services | 6 048 | 67 | 136 | 3 308 | 80 | 80 | 293 | 309 | 324 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | 246 | 344 | 410 | 1 269 | 446 | 446 | 306 | 322 | 338 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 716 | - | 775 | 775 | 1 181 | 1 244 | 1 306 |
| Inventory: Farming supplies | - | - | 4 135 | - | 1 168 | 1 168 | 7 122 | 7 500 | 7 874 |
| Inventory: Food and food supplies | 7 | 3 | - | 3 | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 1 294 | 1 783 | 2 094 | 589 | 782 | 782 | 2 341 | 2 465 | 2 589 |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 913 | 598 | 1 291 | 1 083 | 1 090 | 1 090 | 2 261 | 2 381 | 2 500 |
| Inventory: Medical supplies | - | 9 | - | 586 | 4 | 4 | 23 | 24 | 26 |
| Inventory: Medicine | 293 | 286 | 246 | - | 31 | 31 | 343 | 361 | 379 |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | 1 033 | - | 326 | 326 | - | - | - |
| Consumable supplies | 5 951 | 9 726 | 1 210 | 8 205 | 756 | 756 | 4 282 | 4 509 | 4 735 |
| Consumable: Stationery, printing and office supplies | 366 | 512 | 230 | 321 | 331 | 331 | 780 | 821 | 862 |
| Operating leases | 215 | 627 | 260 | 161 | 253 | 253 | 574 | 605 | 635 |
| Property payments | 616 | 6 892 | 7 631 | 326 | 8 610 | 8 610 | 7 937 | 8 357 | 8 775 |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 5 623 | 7 007 | 9 033 | 1 710 | 1 710 | 1 710 | 6 617 | 6 968 | 7 316 |
| Training and development | 1 | 11 | 13 | 53 | 39 | 39 | 25 | 27 | 28 |
| Operating payments | 343 | 463 | 517 | 14 | 419 | 419 | 570 | 600 | 630 |
| Venues and facilities | - | 2 | - | - | - | - | - | - | - |
| Rental and hiring | - | 100 | 57 | - | 4 | 4 | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 453 | 602 | 1 404 | - | 519 | 519 | 73 | 76 | 80 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 453 | 602 | 1 404 | - | 519 | 519 | 73 | 76 | 80 |
| Social benefits | 453 | 602 | 1 404 | - | 519 | 519 | 73 | 76 | 80 |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 9 936 | 22 843 | 12 500 | 26 856 | 26 856 | 26 856 | 22 164 | 23 194 | 24 354 |
| Buildings and other fixed structures | 5 509 | 20 626 | 5 528 | 21 936 | 21 936 | 21 936 | 7 748 | 8 135 | 8 542 |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | 5 509 | 20 626 | 5 528 | 21 936 | 21 936 | 21 936 | 7 748 | 8 135 | 8 542 |
| Machinery and equipment | 4 328 | 2 051 | 6 566 | 4 759 | 4 807 | 4 807 | 13 910 | 14 528 | 15 254 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 4 328 | 2 051 | 6 566 | 4 759 | 4 807 | 4 807 | 13 910 | 14 528 | 15 254 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | 99 | 148 | 390 | 161 | 113 | 113 | 506 | 531 | 558 |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | 18 | 16 | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 129 118 | 155 249 | 163 704 | 166 192 | 166 192 | 166 192 | 188 841 | 199 968 | 211 708 |

Table 3.I : Details of payments and estimates by economic classification - Sub-programme: Agricultural Economic Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 1 620 | 2 182 | 5 641 | 3 406 | 6 506 | 6 506 | 6 840 | 7 206 | 7 567 |
| Compensation of employees | 1 514 | 1 987 | 4 998 | 2 920 | 5 558 | 5 558 | 5 947 | 6 267 | 6 653 |
| Salaries and wages | 1 370 | 1 765 | 4 419 | 2 577 | 5 215 | 5 215 | 5 471 | 5 764 | 6 121 |
| Social contributions | 144 | 222 | 579 | 343 | 343 | 343 | 476 | 503 | 532 |
| Goods and services | 106 | 195 | 643 | 486 | 948 | 948 | 893 | 939 | 914 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | - | - | - | - | - | - | - | - | - |
| Minor assets | - | - | - | - | - | - | - | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | - | - | - | - | - | - | - | - |
| Communication (G&S) | - | - | 8 | 7 | 10 | 10 | 10 | 10 | 11 |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Infras and planning | - | - | - | 282 | 282 | 282 | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | - | - | - | - | - | - | - | - | - |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | - | - | - | - | - | - | - |
| Consumable: Stationery, printing and office supplies | 23 | 21 | - | 22 | 17 | 17 | 50 | 53 | 54 |
| Operating leases | - | - | - | - | - | - | - | - | - |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 83 | 174 | 635 | 175 | 639 | 639 | 833 | 876 | 849 |
| Training and development | - | - | - | - | - | - | - | - | - |
| Operating payments | - | - | - | - | - | - | - | - | - |
| Venues and facilities | - | - | - | - | - | - | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 1 | - | - | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 1 | - | - | - | - | - | - | - | - |
| Social benefits | 1 | - | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | 49 | - | 55 | 55 | 55 | 60 | 63 | 66 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | 49 | - | 55 | 55 | 55 | 60 | 63 | 66 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | 49 | - | 55 | 55 | 55 | 60 | 63 | 66 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 1 621 | 2 231 | 5 641 | 3 461 | 6 561 | 6 561 | 6 900 | 7 269 | 7 633 |

Table 3.J : Details of payments and estimates by economic classification - Sub-programme: Structured Agricultural Education and Training

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 90 050 | 104 438 | 106 370 | 136 555 | 135 692 | 135 692 | 95 508 | 100 891 | 105 826 |
| Compensation of employees | 62 455 | 66 764 | 73 013 | 67 811 | 67 698 | 67 698 | 50 736 | 53 745 | 56 323 |
| Salaries and wages | 57 994 | 61 941 | 67 481 | 61 739 | 61 626 | 61 626 | 44 360 | 47 031 | 49 639 |
| Social contributions | 4 461 | 4 823 | 5 532 | 6 072 | 6 072 | 6 072 | 6 376 | 6 714 | 6 684 |
| Goods and services | 27 595 | 37 674 | 33 349 | 68 744 | 67 994 | 67 994 | 44 772 | 47 146 | 49 503 |
| Administrative fees | 3 | 39 | 84 | 71 | 29 | 29 | 74 | 78 | 82 |
| Advertising | 4 | 5 | - | 505 | 505 | 505 | 157 | 165 | 173 |
| Minor assets | 488 | 1 441 | 2 910 | 1 441 | 1 626 | 1 626 | 1 003 | 1 056 | 1 109 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | 2 213 | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 13 | 32 | 1 089 | - | - | - | 255 | 269 | 282 |
| Communication (G&S) | 618 | 725 | 635 | 775 | 837 | 837 | 810 | 853 | 896 |
| Computer services | 146 | 145 | 180 | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Infras and planning | 2 588 | 3 469 | - | 28 665 | 27 915 | 27 915 | 265 | 279 | 293 |
| Cons & prof serv: Laboratory services | - | - | - | 339 | 352 | 352 | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 1 075 | 2 618 | 1 469 | 4 036 | 3 260 | 3 260 | 2 521 | 2 655 | 2 788 |
| Agency and support / outsourced services | 7 549 | 10 601 | 7 715 | 11 101 | 11 484 | 11 484 | 15 368 | 16 182 | 16 991 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | 1 317 | 1 436 | 1 920 | 547 | 982 | 982 | 572 | 602 | 632 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 133 | - | 124 | 124 | 246 | 259 | 272 |
| Inventory: Farming supplies | - | - | 3 324 | - | 1 330 | 1 330 | 2 938 | 3 094 | 3 249 |
| Inventory: Food and food supplies | - | 1 | - | 117 | 72 | 72 | - | - | - |
| Inventory: Fuel, oil and gas | 91 | 275 | 157 | 522 | 305 | 305 | 575 | 606 | 636 |
| Inventory: Learner and teacher support material | 825 | 1 116 | 769 | 1 852 | 1 261 | 1 261 | 1 638 | 1 725 | 1 811 |
| Inventory: Materials and supplies | 1 111 | 174 | 217 | 445 | 339 | 339 | 291 | 306 | 321 |
| Inventory: Medical supplies | - | 7 | 6 | 347 | 259 | 259 | - | - | - |
| Inventory: Medicine | 339 | 271 | 155 | - | 27 | 27 | 420 | 442 | 464 |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | 15 | 16 | 17 |
| Consumable supplies | 2 666 | 5 996 | 1 120 | 3 396 | 3 396 | 3 396 | 1 173 | 1 235 | 1 297 |
| Consumable: Stationery, printing and office supplies | 864 | 566 | 745 | 1 203 | 1 147 | 1 147 | 995 | 1 048 | 1 100 |
| Operating leases | 940 | 973 | 762 | 1 152 | 992 | 992 | 1 620 | 1 706 | 1 791 |
| Property payments | 746 | 3 002 | 5 119 | 2 924 | 2 579 | 2 579 | 3 731 | 3 929 | 4 125 |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 3 329 | 4 047 | 4 275 | 3 931 | 4 092 | 4 092 | 6 874 | 7 238 | 7 600 |
| Training and development | 51 | 68 | 442 | 4 919 | 4 818 | 4 818 | 2 406 | 2 534 | 2 661 |
| Operating payments | 372 | 242 | 123 | 122 | 172 | 172 | 352 | 371 | 390 |
| Venues and facilities | 247 | 409 | - | 334 | 91 | 91 | 473 | 498 | 523 |
| Rental and hiring | - | 16 | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | 8 | - | - | - | - | - | - |
| Interest | - | - | 8 | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 1 659 | 681 | 397 | 177 | 1 040 | 1 040 | 180 | 190 | 200 |
| Provinces and municipalities | 2 | 88 | - | - | - | - | - | - | - |
| Provinces | 2 | 88 | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 2 | 88 | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | 250 | - | 750 | 750 | - | - | - |
| Households | 1 657 | 593 | 147 | 177 | 290 | 290 | 180 | 190 | 200 |
| Social benefits | 57 | 593 | 147 | 177 | 290 | 290 | 180 | 190 | 200 |
| Other transfers to households | 1 600 | - | - | - | - | - | - | - | - |
| Payments for capital assets | 4 997 | 14 223 | 15 454 | 6 658 | 6 658 | 6 658 | 10 969 | 11 550 | 12 236 |
| Buildings and other fixed structures | 528 | 8 190 | 13 971 | 1 900 | 1 900 | 1 900 | 6 973 | 7 342 | 7 509 |
| Buildings | 528 | - | - | - | - | - | - | - | - |
| Other fixed structures | - | 8 190 | 13 971 | 1 900 | 1 900 | 1 900 | 6 973 | 7 342 | 7 509 |
| Machinery and equipment | 4 323 | 5 871 | 1 483 | 4 006 | 4 006 | 4 006 | 3 775 | 3 975 | 4 237 |
| Transport equipment | 1 470 | 2 010 | - | - | - | - | - | - | - |
| Other machinery and equipment | 2 853 | 3 861 | 1 483 | 4 006 | 4 006 | 4 006 | 3 775 | 3 975 | 4 237 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | 59 | - | - | 400 | 400 | 400 | 74 | 78 | 82 |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 87 | 162 | - | 352 | 352 | 352 | 147 | 155 | 408 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 96 706 | 119 342 | 122 221 | 143 390 | 143 390 | 143 390 | 106 657 | 112 631 | 118 262 |

Table 3.K : Payments and estimates by economic classification: Rural Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | - | - | - | - | - | 17 978 | 19 275 | 20 468 |
| Compensation of employees | - | - | - | - | - | - | 16 488 | 17 709 | 18 824 |
| Salaries and wages | - | - | - | - | - | - | 13 442 | 14 475 | 15 387 |
| Social contributions | - | - | - | - | - | - | 3 046 | 3 234 | 3 437 |
| Goods and services | - | - | - | - | - | - | 1 490 | 1 566 | 1 644 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | - | - | - | - | - | - | - | - | - |
| Assets less than the capitalisation threshold | - | - | - | - | - | - | 170 | 179 | 188 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | - | - | - | - | - | - | - | - |
| Communication (G&S) | - | - | - | - | - | - | 115 | 121 | 127 |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | - | - | - | - | - | - | - | - | - |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | 139 | 146 | 153 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | - | - | - | - | - | - | - |
| Consumable: Stationery, printing and office supplies | - | - | - | - | - | - | 96 | 101 | 106 |
| Operating leases | - | - | - | - | - | - | 73 | 76 | 80 |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | - | - | - | - | - | - | 897 | 943 | 990 |
| Training and development | - | - | - | - | - | - | - | - | - |
| Operating payments | - | - | - | - | - | - | - | - | - |
| Venues and facilities | - | - | - | - | - | - | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | 983 | 690 | 495 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | 983 | 690 | 495 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - | - | 983 | 690 | 495 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | 18 961 | 19 965 | 20 963 |

Table 3.L : Payments and estimates by economic classification: Conditional grants

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 111 681 | 142 781 | 150 450 | 207 005 | 229 930 | 229 930 | 210 829 | 208 644 | 221 310 |
| Compensation of employees | - | - | 10 745 | 15 703 | 15 703 | 15 703 | 16 000 | 17 040 | 18 148 |
| Salaries and wages | - | - | 10 745 | 15 703 | 15 703 | 15 703 | 16 000 | 17 040 | 18 148 |
| Social contributions | - | - | - | - | - | - | - | - | - |
| Goods and services | 111 681 | 142 781 | 139 705 | 191 302 | 214 227 | 214 227 | 194 829 | 191 604 | 203 162 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | 299 | 70 | - | 32 | 32 | - | - | - | - |
| Assets less than the capitalisation threshold | 958 | 35 | 406 | 5 417 | 5 417 | 855 | 898 | 943 | 990 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | 202 | 2 396 | 5 772 | 2 108 | 2 108 | 500 | 525 | 551 | 579 |
| Catering: Departmental activities | 439 | 521 | 1 746 | 2 204 | 2 204 | 1 982 | 2 073 | 2 175 | 2 276 |
| Communication (G&S) | 269 | 62 | 2 619 | 2 650 | 2 650 | 6 075 | 6 379 | 6 698 | 7 033 |
| Computer services | 182 | 27 | 1 969 | 2 108 | 2 108 | - | - | - | - |
| Cons & prof serv: Business and advisory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Infras and planning | 17 192 | 24 826 | 37 141 | 52 498 | 51 498 | 67 925 | 71 897 | 70 242 | 74 703 |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 2 295 | 354 | 1 104 | 358 | 358 | 2 400 | 2 520 | 2 646 | 2 778 |
| Agency and support / outsourced services | 11 756 | 13 861 | 1 965 | 8 370 | 8 370 | 11 581 | 10 066 | 7 954 | 8 566 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | 63 | 63 | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 3 006 | - | 285 | 535 | 553 | 576 | 592 |
| Inventory: Farming supplies | - | - | 69 111 | - | 114 676 | 101 948 | 81 562 | 80 647 | 85 193 |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 368 | - | 68 | 74 | 74 | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 2 | 558 | 388 | 98 | 1 150 | 1 052 | 550 | 550 | 565 |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 62 235 | 87 493 | 5 074 | 96 446 | 1 933 | 1 501 | 1 547 | 1 574 | 1 702 |
| Consumable: Stationery, printing and office supplies | 460 | 175 | 830 | 1 275 | 1 275 | 50 | 53 | 56 | 58 |
| Operating leases | 51 | 10 | - | - | - | 200 | 210 | 221 | 232 |
| Property payments | - | 127 | - | 3 689 | 3 689 | 1 063 | 1 116 | 1 172 | 1 230 |
| Transport provided: Departmental activity | 363 | - | 247 | - | - | - | - | - | - |
| Travel and subsistence | 6 555 | 5 178 | 5 822 | 7 674 | 7 674 | 3 733 | 3 893 | 4 064 | 4 547 |
| Training and development | 4 937 | 5 499 | 1 389 | 2 285 | 2 210 | 5 927 | 6 222 | 6 534 | 6 860 |
| Operating payments | 13 | - | - | - | - | 2 900 | 3 045 | 3 197 | 3 357 |
| Venues and facilities | 3 105 | 1 099 | 1 048 | 3 953 | 6 453 | 4 000 | 1 720 | 1 804 | 1 901 |
| Rental and hiring | - | 490 | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 100 761 | 65 760 | 63 000 | 66 465 | 66 465 | 66 465 | 81 548 | 84 623 | 88 854 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 100 761 | 65 760 | 63 000 | 66 465 | 66 465 | 66 465 | 81 548 | 84 623 | 88 854 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | 100 761 | 65 760 | 63 000 | 66 465 | 66 465 | 66 465 | 81 548 | 84 623 | 88 854 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 29 580 | 63 939 | 51 136 | 23 290 | 23 365 | 23 365 | 16 148 | 12 110 | 14 827 |
| Buildings and other fixed structures | 17 230 | 50 289 | 41 795 | 15 285 | 15 285 | 15 285 | 6 729 | 4 599 | 6 869 |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | 17 230 | 50 289 | 41 795 | 15 285 | 15 285 | 15 285 | 6 729 | 4 599 | 6 869 |
| Machinery and equipment | 12 350 | 13 563 | 9 257 | 8 005 | 8 080 | 8 080 | 9 419 | 7 511 | 7 958 |
| Transport equipment | 8 090 | 7 087 | 1 889 | 2 287 | 2 287 | 2 287 | 3 645 | 2 410 | 2 538 |
| Other machinery and equipment | 4 260 | 6 476 | 7 368 | 5 718 | 5 793 | 5 793 | 5 774 | 5 101 | 5 420 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | 87 | 84 | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 242 022 | 272 480 | 264 586 | 296 760 | 319 760 | 319 760 | 308 525 | 305 377 | 324 991 |

Table 3.M : Payments and estimates by economic classification: Land Care grant

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 9 015 | 15 992 | 18 746 | 10 854 | 10 779 | 10 779 | 10 596 | 11 083 | 11 738 |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Goods and services | 9 015 | 15 992 | 18 746 | 10 854 | 10 779 | 10 779 | 10 596 | 11 083 | 11 738 |
| Of which | | | | | | | | | |
| Advertising | 72 | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 213 | 207 | 244 | 191 | 191 | 232 | 235 | 245 | 250 |
| Cons & prof serv: Infras and planning | 5 761 | 6 250 | 7 461 | 5 523 | 4 523 | 4 491 | 6 505 | 6 852 | 7 002 |
| Inventory: Clothing material and accessories | - | - | 3 006 | - | 285 | 285 | 290 | 300 | 302 |
| Inventory: Farming supplies | - | - | 2 288 | - | 1 030 | 1 030 | 1 100 | 1 200 | 1 250 |
| Inventory: Materials and supplies | - | - | - | - | 500 | 500 | 550 | 550 | 565 |
| Consumable supplies | 2 411 | 8 229 | 4 809 | 4 340 | 1 025 | 981 | 1 001 | 1 001 | 1 100 |
| Transport provided: Departmental activity | - | - | 247 | - | - | - | - | - | - |
| Travel and subsistence | 470 | 1 102 | 691 | 623 | 623 | 673 | 680 | 690 | 1 005 |
| Training and development | 58 | 49 | - | 177 | 102 | 87 | 90 | 95 | 99 |
| Venues and facilities | 30 | 155 | - | - | 2 500 | 2 500 | 145 | 150 | 165 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | 54 | - | - | 75 | 75 | 70 | 74 | 74 |
| Machinery and equipment | - | 54 | - | - | 75 | 75 | 70 | 74 | 74 |
| Other machinery and equipment | - | 54 | - | - | 75 | 75 | 70 | 74 | 74 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 9 015 | 16 046 | 18 746 | 10 854 | 10 854 | 10 854 | 10 666 | 11 157 | 11 812 |

Table 3.N : Payments and estimates by economic classification: CASP grant

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 43 223 | 87 038 | 107 027 | 122 877 | 122 877 | 122 877 | 128 535 | 133 685 | 142 216 |
| Compensation of employees | - | - | 10 745 | 15 703 | 15 703 | 15 703 | 16 000 | 17 040 | 18 148 |
| Salaries and wages | - | - | 10 745 | 15 703 | 15 703 | 15 703 | 16 000 | 17 040 | 18 148 |
| Goods and services | 43 223 | 87 038 | 96 282 | 107 174 | 107 174 | 107 174 | 112 535 | 116 645 | 124 068 |
| Advertising | 227 | 70 | - | 32 | 32 | - | - | - | - |
| Assets less than the capitalisation threshold | 958 | 35 | 406 | 5 417 | 5 417 | 855 | 898 | 943 | 990 |
| Bursaries: Employees | 202 | 2 396 | 5 772 | 2 108 | 2 108 | 500 | 525 | 551 | 579 |
| Catering: Departmental activities | 226 | 314 | 1 502 | 2 013 | 2 013 | 1 750 | 1 838 | 1 930 | 2 026 |
| Communication (G&S) | 269 | 62 | 2 619 | 2 650 | 2 650 | 6 075 | 6 379 | 6 698 | 7 033 |
| Computer services | 182 | 27 | 1 969 | 2 108 | 2 108 | - | - | - | - |
| Cons & prof serv: Infras and planning | 1 967 | 2 038 | 26 266 | 21 080 | 21 080 | 37 539 | 39 416 | 40 387 | 43 456 |
| Contractors | 2 295 | 49 | - | 358 | 358 | 2 400 | 2 520 | 2 646 | 2 778 |
| Agency and support / outsourced services | 3 440 | 4 153 | 1 415 | 4 189 | 4 189 | 7 400 | 7 770 | 7 954 | 8 566 |
| Fleet services (incl. govt motor transport) | - | - | - | 63 | 63 | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | 250 | 263 | 276 | 290 |
| Inventory: Farming supplies | - | - | 47 214 | - | 48 000 | 35 272 | 37 036 | 38 574 | 40 832 |
| Inventory: Fuel, oil and gas | 368 | - | 68 | 74 | 74 | - | - | - | - |
| Inventory: Materials and supplies | 2 | 558 | 388 | 98 | 98 | - | - | - | - |
| Consumable supplies | 18 161 | 66 064 | 265 | 48 908 | 908 | 520 | 546 | 573 | 602 |
| Consumable: Stationery, printing and office supplies | 460 | 175 | 830 | 1 275 | 1 275 | 50 | 53 | 56 | 58 |
| Operating leases | 51 | 10 | - | - | - | 200 | 210 | 221 | 232 |
| Property payments | - | 127 | - | 3 689 | 3 689 | 1 063 | 1 116 | 1 172 | 1 230 |
| Transport provided: Departmental activity | 363 | - | - | - | - | - | - | - | - |
| Travel and subsistence | 6 085 | 4 076 | 5 131 | 7 051 | 7 051 | 3 060 | 3 213 | 3 374 | 3 542 |
| Training and development | 4 879 | 5 450 | 1 389 | 2 108 | 2 108 | 5 840 | 6 132 | 6 439 | 6 761 |
| Operating payments | 13 | - | - | - | - | 2 900 | 3 045 | 3 197 | 3 357 |
| Venues and facilities | 3 075 | 944 | 1 048 | 3 953 | 3 953 | 1 500 | 1 575 | 1 654 | 1 736 |
| Rental and hiring | - | 490 | - | - | - | - | - | - | - |
| Transfers and subsidies to | 100 761 | 65 760 | 63 000 | 66 465 | 66 465 | 66 465 | 81 548 | 84 623 | 88 854 |
| Departmental agencies and accounts | 100 761 | 65 760 | 63 000 | 66 465 | 66 465 | 66 465 | 81 548 | 84 623 | 88 854 |
| Entities receiving funds | 100 761 | 65 760 | 63 000 | 66 465 | 66 465 | 66 465 | 81 548 | 84 623 | 88 854 |
| Payments for capital assets | 20 707 | 30 928 | 32 495 | 23 290 | 23 290 | 23 290 | 16 078 | 12 036 | 14 753 |
| Buildings and other fixed structures | 8 357 | 17 332 | 23 154 | 15 285 | 15 285 | 15 285 | 6 729 | 4 599 | 6 869 |
| Other fixed structures | 8 357 | 17 332 | 23 154 | 15 285 | 15 285 | 15 285 | 6 729 | 4 599 | 6 869 |
| Machinery and equipment | 12 350 | 13 509 | 9 257 | 8 005 | 8 005 | 8 005 | 9 349 | 7 437 | 7 884 |
| Transport equipment | 8 090 | 7 087 | 1 889 | 2 287 | 2 287 | 2 287 | 3 645 | 2 410 | 2 538 |
| Other machinery and equipment | 4 260 | 6 422 | 7 368 | 5 718 | 5 718 | 5 718 | 5 704 | 5 027 | 5 346 |
| Biological assets | - | 87 | 84 | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 164 691 | 183 726 | 202 522 | 212 632 | 212 632 | 212 632 | 226 161 | 230 344 | 245 823 |

Table 3.O : Payments and estimates by economic classification: Ilima/Letsema Projects grant

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|---------------|---------------|-----------------------|---------------------------|---------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 51 127 | 30 043 | 24 127 | 69 093 | 92 093 | 92 093 | 69 402 | 63 876 | 67 356 |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Goods and services | 51 127 | 30 043 | 24 127 | 69 093 | 92 093 | 92 093 | 69 402 | 63 876 | 67 356 |
| Cons & prof serv: Infrs and planning | 9 464 | 16 538 | 3 414 | 25 895 | 25 895 | 25 895 | 25 976 | 23 003 | 24 245 |
| Contractors | - | 305 | 1 104 | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | 19 609 | - | 65 646 | 65 646 | 43 426 | 40 873 | 43 111 |
| Inventory: Materials and supplies | - | - | - | - | 552 | 552 | - | - | - |
| Consumable supplies | 41 663 | 13 200 | - | 43 198 | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 8 873 | 32 957 | 18 641 | - | - | - | - | - | - |
| Buildings and other fixed structures | 8 873 | 32 957 | 18 641 | - | - | - | - | - | - |
| Other fixed structures | 8 873 | 32 957 | 18 641 | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 60 000 | 63 000 | 42 768 | 69 093 | 92 093 | 92 093 | 69 402 | 63 876 | 67 356 |

Table 3.P : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|------------|-----------------------|---------------------------|---------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 8 316 | 9 708 | 550 | 4 181 | 4 181 | 4 181 | 2 296 | - | - |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Goods and services | 8 316 | 9 708 | 550 | 4 181 | 4 181 | 4 181 | 2 296 | - | - |
| Agency and support / outsourced services | 8 316 | 9 708 | 550 | 4 181 | 4 181 | 4 181 | 2 296 | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 8 316 | 9 708 | 550 | 4 181 | 4 181 | 4 181 | 2 296 | - | - |

Table 3.Q: Agriculture and Rural Development - Payments of infrastructure by category

| Table C6.7 - Infrastructure and Rural Development – Payments by infrastructure category | | | | | | | | | | | | | | |
|---|-----------------------|--|-------|------------------|---------------|-------------------|-----------------------|-------------------------------------|--------------------|---|-----------------|---------|------------------------|--|
| Project name | Municipality / Region | Type of infrastructure | | Project duration | | Source of funding | Budget programme name | Targeted number of jobs for 2015/16 | Total project cost | Expenditure to date from previous years | Total available | | MTEF Forward estimates | |
| | | | | | | | | | | | 2015/16 | 2017/18 | | |
| | | School - primary/ secondary/ specialised; admin block; water, electricity; sanitation/toilet; fencing etc. | Units | Date: Start | Date: Finish | | | | | | 2015/16 | 2017/18 | | |
| R thousands | | | | | | | | | | | | | | |
| Existing infrastructure assets | | | | | | | | | | | | | | |
| <i>of which:</i> | | | | | | | | | | | | | | |
| Maintenance and repair: Current | | | | | | | | | 239 062 | - | 100 725 | 98 944 | 103 231 | |
| | Various | Office accommodation | 23 | 01 April 2015 | Ongoing | Equitable share | Programme 1 | - | 76 165 | - | 25 312 | 26 654 | 28 067 | |
| Farm structures | Various | Fencing, irrigation, poultry, piggery, etc | 132 | 01 April 2015 | Ongoing | Ilima/ES | Programme 2 | - | 24 016 | - | 7 908 | 8 328 | 8 769 | |
| Makhashini development project | Umkhanyakude | Irrigation, fencing , drainage canals, etc | 1 | 01 April 2015 | Ongoing | Equitable share | Programme 2 | - | 39 118 | - | 13 055 | 13 747 | 14 476 | |
| Upgrades and additions: Capital | | | | | | | | - | 13 031 | - | 4 349 | 4 579 | 4 822 | |
| Refurbishment and rehabilitation: Capital | | | | | | | | - | - | - | - | - | - | |
| | | | | | | | | - | 86 732 | - | 75 413 | 72 290 | 75 164 | |
| Makhashini development project | Umkhanyakude | Irrigation, fencing, drainage canal, poultry, etc. | 213 | 01 April 2015 | Ongoing | Equitable share | Programme 2 | - | 86 732 | - | 75 413 | 72 290 | 75 164 | |
| New infrastructure assets: Capital | | | | | | | | - | 656 743 | 62 533 | 40 031 | 49 461 | 51 127 | |
| <i>of which:</i> | | | | | | | | | | | | | | |
| Msinga mushroom project | Umzinyathi | Construction of mushroom plant | 1 | 01 April 2014 | 31 March 2018 | Equitable share | Programme 2 | - | 65 000 | - | 7 748 | 5 153 | 9 033 | |
| Farm structures | Various | Fencing, irrigation, poultry, piggery, etc. | 8 | 01 April 2014 | 31 March 2018 | Equitable share | Programme 2 | - | 3 243 | - | 1 082 | 11 454 | 7 499 | |
| Makhashini development project | Umkhanyakude | Irrigation, fencing, drainage canal, etc | 1 | 01 April 2012 | 31 March 2018 | Ilima/ES | Programme 2 | - | 513 000 | 15 833 | 26 749 | 28 166 | 29 659 | |
| Office accommodation | Various | Offices | 5 | 01 April 2013 | 31 March 2018 | Equitable share | Programme 1 | - | 59 000 | 15 500 | 4 452 | 4 688 | 4 936 | |
| Infrastructure transfers | | | | | | | | - | - | - | - | - | - | |
| <i>of which:</i> | | | | | | | | | | | | | | |
| Infrastructure transfers: Current | | | | | | | | - | - | - | - | - | - | |
| Infrastructure transfers: Capital | | | | | | | | - | - | - | - | - | - | |
| Infrastructure: Payments for financial assets | | | | | | | | - | - | - | - | - | - | |
| Infrastructure: Leases | | | | | | | | - | - | - | - | - | - | |
| Total | | | | | | | | - | 895 805 | 62 533 | 140 756 | 148 405 | 154 358 | |
| <i>Capital infrastructure</i> | | | | | | | | - | 743 475 | 62 533 | 115 444 | 121 751 | 126 291 | |
| <i>Current infrastructure</i> | | | | | | | | - | 76 165 | - | 25 312 | 26 654 | 28 067 | |

Table 3.R : Financial summary for Agri-business Development Agency (ADA)

| R thousand | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|-----------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Revenue | | | | | | | |
| Tax revenue | - | - | - | - | - | - | - |
| Non-tax revenue | - | 674 | 37 | 2 548 | 1 035 | 1 090 | 1 147 |
| Interest, dividends and rent on land | 790 | 642 | - | 2 500 | 1 000 | 1 053 | 1 109 |
| Other non-tax revenue | 67 | 32 | 37 | 48 | 35 | 37 | 38 |
| Transfers received* | 158 221 | 152 578 | 106 909 | 125 260 | 123 119 | 128 397 | 134 948 |
| COGTA | 1 700 | - | - | 18 850 | - | - | - |
| DEDT | 26 000 | 74 974 | 18 755 | - | - | - | - |
| DARD | 100 761 | 65 760 | 88 154 | 106 410 | 123 119 | 128 397 | 134 948 |
| DRDLR | 29 760 | 11 844 | - | - | - | - | - |
| Sale of capital assets | | | | | | | |
| Total revenue | 158 221 | 153 252 | 106 946 | 127 808 | 124 154 | 129 487 | 136 095 |
| Expenses | | | | | | | |
| Current expense | 157 518 | 152 511 | 126 992 | 200 596 | 124 154 | 129 487 | 136 095 |
| Compensation of employees | 10 638 | 13 816 | 17 413 | 20 745 | 24 811 | 26 374 | 28 036 |
| Project expenditure | 122 952 | 100 181 | 93 562 | 157 151 | 81 548 | 84 622 | 88 854 |
| Use of goods and services | 23 302 | 38 093 | 15 235 | 21 572 | 16 760 | 17 400 | 18 058 |
| Depreciation | 625 | 421 | 782 | 1 128 | 1 035 | 1 091 | 1 147 |
| Transfers and subsidies | - | - | - | - | - | - | - |
| Total expenses | 157 518 | 152 511 | 126 992 | 200 596 | 124 154 | 129 487 | 136 095 |
| Surplus / (Deficit) | 703 | 741 | (20 046) | (72 788) | - | - | - |
| Cash flow summary | | | | | | | |
| Adjust surplus / (deficit) for accrual transactions | 3 127 | 3 169 | 3 067 | 4 993 | 5 203 | 5 746 | 6 164 |
| Adjustments for: | | | | | | | |
| Depreciation | 625 | 421 | 782 | 1 128 | 1 035 | 1 251 | 1 317 |
| Operating lease | 2 502 | 2 606 | 2 457 | 3 500 | 3 780 | 4 082 | 4 409 |
| Staff leave | - | 142 | (172) | 365 | 388 | 412 | 438 |
| Operating surplus / (deficit) before changes in working capital | 3 830 | 3 910 | (16 979) | (67 795) | 5 203 | 5 746 | 6 164 |
| Changes in working capital | 8 839 | 4 991 | (12 711) | - | - | - | - |
| (Decrease) / increase in accounts payable | 5 986 | 5 147 | (7 855) | - | - | - | - |
| Decrease / (increase) in accounts receivable | 2 804 | - | (4 856) | - | - | - | - |
| (Decrease) / increase in provisions | 49 | (115) | - | - | - | - | - |
| Cash flow from operating activities | 12 669 | 8 902 | (29 690) | (67 795) | 5 203 | 5 746 | 6 164 |
| Transfers from government | 158 221 | 152 578 | 106 909 | 125 260 | 123 119 | 128 397 | 134 948 |
| Capital | - | - | - | - | - | - | - |
| Current | 158 221 | 152 578 | 106 909 | 125 260 | 123 119 | 128 397 | 134 948 |
| Cash flow from investing activities | (2 073) | (1 488) | (3 836) | (3 250) | (400) | (400) | (400) |
| Acquisition of assets | (2 073) | (1 488) | (3 836) | (3 250) | (400) | (400) | (400) |
| Computer equipment | (192) | (879) | (981) | (350) | (250) | (250) | (250) |
| Furniture and office equipment | - | (148) | (65) | (500) | (150) | (150) | (150) |
| Other machinery and equipment | - | - | (123) | (400) | - | - | - |
| Transport assets | - | - | (730) | - | - | - | - |
| Computer software | (1 881) | (461) | (1 937) | (2 000) | - | - | - |
| Other flows from investing activities | - | - | - | - | - | - | - |
| Cash flow from financing activities | - | - | - | - | - | - | - |
| Net increase / (decrease) in cash and cash equivalents | 10 596 | 7 414 | (33 526) | (71 045) | 4 803 | 5 346 | 5 764 |
| Balance sheet data | | | | | | | |
| Carrying value of assets | 3 049 | 3 232 | 5 149 | 4 973 | - | - | - |
| Computer equipment | 206 | 916 | 1 546 | 1 656 | 1 906 | 2 156 | 2 406 |
| Furniture and office equipment | 409 | 475 | 387 | 550 | 700 | 850 | 1 000 |
| Other machinery and equipment | 62 | 31 | 97 | 267 | - | - | - |
| Transport assets | 555 | 417 | 927 | 700 | - | - | - |
| Computer software | 1 817 | 1 393 | 2 192 | 1 800 | - | - | - |
| Investments | - | - | - | - | - | - | - |
| Cash and cash equivalents | 67 820 | 97 283 | 72 789 | 23 000 | 8 247 | 7 580 | 6 949 |
| Cash on hand | 67 820 | 97 283 | 72 789 | 23 000 | 8 247 | 7 580 | 6 949 |
| Receivables and prepayments | 17 | 67 | 62 | 66 | 41 | 33 | 27 |
| Trade receivables | - | 40 | 35 | 39 | 14 | 6 | - |
| Prepaid expenses | 17 | 27 | 27 | 27 | 27 | 27 | 27 |
| Inventory | - | - | - | - | - | - | - |
| Total assets | 70 886 | 100 582 | 78 000 | 28 039 | 8 288 | 7 613 | 6 976 |
| Capital and reserves | 1 957 | 2 699 | (17 347) | (17 352) | - | - | - |
| Share capital and premium | 5 | 5 | 5 | - | - | - | - |
| Accumulated reserves | 1 249 | 1 953 | 2 694 | (17 352) | - | - | - |
| Surplus / (Deficit) | 703 | 741 | (20 046) | - | - | - | - |
| Borrowings | - | - | - | - | - | - | - |
| Post retirement benefits | - | - | 137 | 1 280 | 1 372 | 1 459 | 1 550 |
| Other - Defined contribution plan | - | - | 137 | 1 280 | 1 372 | 1 459 | 1 550 |
| Trade and other payables | 68 336 | 97 405 | 72 618 | 21 519 | 6 916 | 6 155 | 5 425 |
| Trade payables | - | - | 27 | - | - | - | - |
| Unspent grant | 61 532 | 85 950 | 69 002 | 16 094 | - | - | - |
| Operating lease liability | 571 | 594 | 130 | 1 560 | 2 842 | 1 861 | 904 |
| Accrued expenses | 6 233 | 10 860 | 3 153 | 3 500 | 3 689 | 3 888 | 4 094 |
| Other - Accrued leave pay | - | - | 306 | 365 | 385 | 405 | 427 |
| Deferred income | - | - | - | - | - | - | - |
| Provisions | 593 | 478 | - | - | - | - | - |
| Leave pay provision | 593 | 478 | - | - | - | - | - |
| Funds managed (e.g. Poverty alleviation fund) | - | - | - | - | - | - | - |
| Contingent liabilities | - | - | - | - | - | - | - |
| Total equity and liabilities | 70 886 | 100 582 | 55 408 | 5 447 | 8 288 | 7 613 | 6 976 |

*Note: Some amounts reflected as Transfers received do not equal amounts in Table 3.11, as portion of the transfers is reflected against other items in the statement of financial position.

Table 3.S : Financial summary for Mjindi (Pty) Ltd (Mjindi)

| R thousand | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Revenue | | | | | | | |
| Tax revenue | - | - | - | - | - | - | - |
| Non-tax revenue | 5 618 | 6 856 | 6 545 | 33 782 | 4 566 | 5 022 | 5 524 |
| Sale of goods and services other than capital assets | 4 995 | 6 004 | 5 540 | 3 685 | 4 054 | 4 459 | 4 905 |
| Interest, dividends and rent on land | 623 | 852 | 1 005 | 466 | 512 | 563 | 619 |
| Other non-tax revenue | - | - | - | 29 631 | - | - | - |
| Transfers received* | 28 593 | 46 681 | 40 793 | 60 816 | 50 506 | 53 183 | 56 001 |
| Sale of capital assets | - | - | - | - | - | - | - |
| Total revenue | 34 211 | 53 537 | 47 338 | 94 598 | 55 072 | 58 205 | 61 525 |
| Expenses | | | | | | | |
| Current expense | 31 268 | 46 467 | 42 065 | 67 455 | 59 361 | 64 295 | 69 417 |
| Compensation of employees | 8 193 | 13 392 | 13 946 | 17 001 | 24 878 | 26 831 | 28 938 |
| Use of goods and services | 22 441 | 31 475 | 26 468 | 47 910 | 30 135 | 31 315 | 32 529 |
| Depreciation | 615 | 1 548 | 1 611 | 2 488 | 4 289 | 6 090 | 7 891 |
| Unauthorised expenditure | 19 | - | - | - | - | - | - |
| Interest, dividends and rent on land | - | 52 | 40 | 56 | 59 | 59 | 59 |
| Transfers and subsidies | - | - | - | - | - | - | - |
| Total expenses | 31 268 | 46 467 | 42 065 | 67 455 | 59 361 | 64 295 | 69 417 |
| Surplus / (Deficit)** | 2 943 | 7 070 | 5 273 | 27 143 | (4 289) | (6 090) | (7 892) |
| Cash flow summary | | | | | | | |
| Adjust surplus / (deficit) for accrual transactions | 11 | 697 | 2 885 | 2 974 | 4 951 | 6 733 | 8 530 |
| Adjustments for: | | | | | | | |
| Depreciation | 615 | 1 548 | 1 611 | 2 488 | 4 289 | 6 090 | 7 891 |
| Interest | (604) | (852) | 1 005 | 466 | 512 | 563 | 619 |
| Net (profit) / loss on disposal of fixed assets | - | 1 | 269 | 20 | 150 | 80 | 20 |
| Operating surplus / (deficit) before changes in working capital | 2 954 | 7 767 | 8 158 | 30 117 | 662 | 643 | 638 |
| Changes in working capital | 11 196 | 11 617 | 3 265 | (33 513) | (4 166) | (8 861) | (6 515) |
| (Decrease) / increase in accounts payable | 10 571 | 13 284 | 2 758 | (33 713) | 1 987 | (5 589) | 10 |
| Decrease / (increase) in accounts receivable | 879 | (1 812) | 478 | 200 | (153) | (3 272) | (6 525) |
| (Decrease) / increase in provisions | (254) | 145 | 29 | - | (6 000) | - | - |
| Cash flow from operating activities | 14 150 | 19 384 | 11 423 | (3 396) | (3 504) | (8 218) | (5 877) |
| Transfers from government | 28 593 | 46 681 | 42 065 | 99 874 | 59 361 | 64 384 | 69 417 |
| Capital | 2 398 | 6 796 | 4 219 | 32 419 | - | 89 | - |
| Current | 26 195 | 39 885 | 37 846 | 67 455 | 59 361 | 64 295 | 69 417 |
| Cash flow from investing activities | (2 725) | (6 798) | (4 219) | (32 419) | - | (89) | - |
| Acquisition of assets | (2 725) | (6 798) | (4 219) | (32 419) | - | (89) | - |
| Dwellings | (1 055) | (2 432) | (173) | (220) | - | - | - |
| Computer equipment | (477) | (1 240) | (2) | (438) | - | (89) | - |
| Furniture and office equipment | (64) | (85) | - | - | - | - | - |
| Other machinery and equipment | (794) | (3 026) | (720) | (31 261) | - | - | - |
| Transport assets | (8) | (15) | (3 324) | (500) | - | - | - |
| Other intangibles | (327) | - | - | - | - | - | - |
| Other flows from investing activities | - | - | - | - | - | - | - |
| Cash flow from financing activities | - | - | - | - | - | - | - |
| Net increase / (decrease) in cash and cash equivalents | 11 425 | 12 586 | 7 204 | (35 815) | (3 504) | (8 307) | (5 877) |
| Balance sheet data | | | | | | | |
| Carrying value of assets | 24 543 | 38 985 | 41 324 | 71 369 | 67 203 | 63 126 | 59 691 |
| Dwellings | 20 212 | 23 039 | 22 682 | 22 230 | 21 558 | 20 886 | 20 214 |
| Investment property | - | 8 300 | 7 874 | 7 718 | 7 562 | 7 406 | 7 250 |
| Computer equipment | 738 | 1 382 | 1 099 | 1 129 | 661 | 282 | 45 |
| Furniture and office equipment | 763 | 1 050 | 1 046 | 974 | 902 | 830 | 758 |
| Other Machinery and equipment | 672 | 3 257 | 3 747 | 34 360 | 31 980 | 29 600 | 27 720 |
| Transport assets | 1 831 | 1 630 | 4 559 | 4 651 | 4 243 | 3 835 | 3 427 |
| Other intangibles | 327 | 327 | 317 | 307 | 297 | 287 | 277 |
| Investments | - | - | - | - | - | - | - |
| Cash and cash equivalents | 23 603 | 36 921 | 43 120 | 6 705 | 6 705 | 3 017 | 3 517 |
| Bank | 23 598 | 36 919 | 43 117 | 6 700 | 6 700 | 3 012 | 3 512 |
| Cash on hand | 5 | 2 | 3 | 5 | 5 | 5 | 5 |
| Receivables and prepayments | 1 922 | 3 473 | 2 621 | 2 621 | 2 873 | 4 649 | 7 395 |
| Trade receivables | 883 | 1 835 | 1 474 | 1 359 | 1 485 | 2 623 | 5 166 |
| Other receivables | 1 038 | 1 637 | 1 146 | 1 261 | 1 387 | 2 025 | 2 228 |
| Prepaid expenses | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Inventory | 73 | 364 | 738 | 538 | 439 | 838 | 1 038 |
| Total assets | 50 141 | 79 743 | 87 803 | 81 233 | 77 220 | 71 631 | 71 641 |
| Capital and reserves | 16 797 | 33 392 | 38 664 | 65 807 | 65 807 | 65 807 | 65 807 |
| Accumulated reserves | (13 675) | (10 732) | (3 386) | 1 887 | 29 030 | 29 030 | 29 030 |
| Surplus / (Deficit) | 2 943 | 7 070 | 5 273 | 27 143 | - | - | - |
| Other | 27 529 | 37 054 | 36 777 | 36 777 | 36 777 | 36 777 | 36 777 |
| Borrowings | - | - | - | - | - | - | - |
| Post retirement benefits | - | - | - | - | - | - | - |
| Trade and other payables | 26 316 | 40 351 | 43 139 | 9 426 | 11 413 | 5 824 | 5 834 |
| Trade payables | 2 718 | 3 395 | 6 062 | 2 638 | 4 615 | 2 704 | 2 204 |
| Accrued interest | - | 39 | 69 | 88 | 98 | 108 | 118 |
| Other | 23 598 | 36 917 | 37 008 | 6 700 | 6 700 | 3 012 | 3 512 |
| Deferred income | - | - | - | - | - | - | - |
| Provisions | 6 887 | 6 000 | 6 000 | 6 000 | - | - | - |
| Leave pay provision | 399 | - | - | - | - | - | - |
| Other provisions | 6 244 | 6 000 | 6 000 | 6 000 | - | - | - |
| Funds managed (e.g. Poverty alleviation fund) | - | - | - | - | - | - | - |
| Contingent liabilities | - | - | - | - | - | - | - |
| Total equity and liabilities | 50 000 | 79 743 | 87 803 | 81 233 | 77 220 | 71 631 | 71 641 |

*Note: Some amounts reflected as Transfers received do not equal amounts in Table 4.12, as portion of the transfers is reflected against other items in the statement of financial position.

**Note: The surplus/deficit relates to the accounting treatment of capital expenses in terms of IAS20.

Table 3.T : Personnel summary for ADA

| | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|-----------|-----------|------------------|-----------------------|-----------|-----------|
| | 2011/12 | 2012/13 | 2013/14 | | 2014/15 | 2015/16 | 2016/17 |
| A. Permanent and full-time-contract employees | | | | | | | |
| Personnel cost (R thousand) | 10 416 | 13 583 | 16 942 | 19 967 | 23 841 | 25 702 | 27 364 |
| Personnel numbers (head count) | 24 | 34 | 33 | 39 | 42 | 43 | 43 |
| Unit cost | 434 | 400 | 513 | 512 | 568 | 598 | 636 |
| B. Part-time and temporary contract employees | | | | | | | |
| Personnel cost (R thousand) | 222 | 233 | 368 | 202 | 202 | - | - |
| Personnel numbers (head count) | 2 | 4 | 4 | 1 | 1 | - | - |
| Unit cost | 111 | 58 | 92 | 202 | 202 | - | - |
| C. Interns | | | | | | | |
| Personnel cost (R thousand) | - | - | - | 576 | 768 | 672 | 672 |
| Personnel numbers (head count) | - | - | - | 6 | 8 | 6 | 6 |
| Unit cost | - | - | - | 96 | 96 | 112 | 112 |
| Total for entity | | | | | | | |
| Personnel cost (R thousand) | 10 638 | 13 816 | 17 413 | 20 745 | 24 811 | 26 374 | 28 036 |
| Personnel numbers (head count) | 26 | 38 | 37 | 46 | 51 | 49 | 49 |
| Unit cost | 409 | 364 | 471 | 451 | 486 | 538 | 572 |
| D. Learnerships | | | | | | | |
| Personnel cost (R thousand) | - | - | - | - | - | - | - |
| Personnel numbers (head count) | - | - | - | - | - | - | - |
| Unit cost | - | - | - | - | - | - | - |
| Details of personnel numbers according to salary level | | | | | | | |
| Salary level | | | | | | | |
| Board Members | 5 | 5 | 9 | 9 | 9 | 9 | 9 |
| Executive Management | 4 | 5 | 5 | 5 | 5 | 5 | 5 |
| Senior Management | 3 | 3 | 1 | 2 | 2 | 2 | 2 |
| Middle Management | 10 | 10 | 10 | 12 | 18 | 16 | 16 |
| Professionals | 3 | 5 | 6 | 9 | 9 | 9 | 9 |
| Semi-skilled | 6 | 14 | 15 | 11 | 11 | 11 | 11 |
| Very low skilled | - | 1 | - | 7 | 6 | 6 | 6 |
| Total | 31 | 43 | 46 | 55 | 60 | 58 | 58 |

Table 3.U : Personnel summary for Mjindi

| | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|-----------|-----------|------------------|-----------------------|-----------|-----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| A. Permanent and full-time-contract employees | | | | | | | |
| Personnel cost (R thousand) | 8 148 | 12 127 | 12 821 | 17 001 | 24 878 | 26 831 | 28 938 |
| Personnel numbers (head count) | 49 | 50 | 45 | 81 | 81 | 81 | 81 |
| Unit cost | 166 | 243 | 285 | 210 | 307 | 331 | 357 |
| B. Part-time and temporary contract employees | | | | | | | |
| Personnel cost (R thousand) | 45 | 238 | 127 | 266 | 287 | 310 | 334 |
| Personnel numbers (head count) | 1 | 13 | 3 | 4 | 4 | 4 | 4 |
| Unit cost | 45 | 18 | 42 | 67 | 72 | 78 | 84 |
| C. Interns | | | | | | | |
| Personnel cost (R thousand) | - | - | - | - | - | - | - |
| Personnel numbers (head count) | - | - | - | - | - | - | - |
| Unit cost | - | - | - | - | - | - | - |
| Total for entity | | | | | | | |
| Personnel cost (R thousand) | 8 193 | 12 365 | 12 948 | 17 267 | 25 165 | 27 141 | 29 272 |
| Personnel numbers (head count) | 50 | 63 | 48 | 85 | 85 | 85 | 85 |
| Unit cost | 164 | 196 | 270 | 203 | 296 | 319 | 344 |
| D. Learnerships | | | | | | | |
| Personnel cost (R thousand) | - | - | - | - | - | - | - |
| Personnel numbers (head count) | - | - | - | - | - | - | - |
| Unit cost | - | - | - | - | - | - | - |
| Details of personnel numbers according to salary level | | | | | | | |
| Salary level | | | | | | | |
| Board Members | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Executive Management | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Senior Management | 2 | 2 | 2 | 3 | 3 | 3 | 3 |
| Middle Management | 2 | 1 | 1 | 6 | 6 | 6 | 6 |
| Professionals | 7 | 5 | 5 | 10 | 10 | 10 | 10 |
| Semi-skilled | 28 | 13 | 14 | 25 | 25 | 25 | 25 |
| Very low skilled | 9 | 40 | 24 | 39 | 39 | 39 | 39 |
| Total | 58 | 71 | 56 | 93 | 93 | 93 | 93 |

VOTE 4

Economic Development, Tourism and Environmental Affairs

| | |
|---------------------------------|---|
| Operational budget | R 2 971 637 423 |
| MEC remuneration | R 1 821 577 |
| Total amount to be appropriated | R 2 973 459 000 |
| Responsible MEC | MEC for Economic Development, Tourism and Environmental Affairs |
| Administering department | Economic Development, Tourism and Environmental Affairs |
| Accounting officer | Head: Economic Development, Tourism and Environmental Affairs |

1. Overview

Vision

The vision of the Department of Economic Development, Tourism and Environmental Affairs (DEDTEA) is: *Leading the attainment of inclusive and sustainable economic growth for job creation.*

Mission statement

The department's mission is to: *Provide leadership and facilitate integrated economic planning, be a catalyst for economic transformation and sustainable development, implement strategies that drive economic growth and promote sound environmental management, create a conducive environment for trade, investment and tourism and monitor and enforce sound business and consumer regulations.*

Strategic goals and objectives

Strategic policy direction: The strategic focus for DEDTEA during the 5-year period is to build a resilient KZN provincial economy that can respond to global factors, stimulating provincial economic development, alignment of functions and purpose of all economic development entities, as well as building a vibrant organisation. The key strategic goals and objectives of the department include integrated economic planning and development in the province, sustainable and inclusive economic growth for job creation, preferred tourism destination in the country, sustainable environmental management and achieve institutional excellence responsive to the needs of the country.

The department has identified the following strategic goals and objectives:

Lead and co-ordinate integrated economic planning and development.

- Co-ordinate social partners and other stakeholders in the province.
- Collect, process, maintain and report on economic and other social data.
- Track the implementation of economic interventions.
- Provide research on priority and strategic sectors.
- Develop and maintain an efficient regulatory and governance framework.
- Influence policy direction for economic and infrastructure development.

Facilitate sustainable and inclusive economic growth to ensure job creation.

- Facilitate the implementation of economic transformation strategies and policies.
- Implement existing productive and service sector strategies and plans.

- Promote SMMEs and co-operatives.
- Facilitate trade and investment.

Provide preferred tourism destination in the country.

- Provide guidance, support and direction in terms of tourism policies, legislation and strategies.
- Implement the KZN Tourism Master Plan.

Implement sustainable environmental management.

- Implement environmental management strategies and plans.
- Streamline the process of Environmental Impact Assessments.
- Promote and facilitate integrated environmental management through capacity building and awareness raising programmes and projects.

Core functions

The department's core functions are summarised as follows:

- To drive the economic development strategies of the province.
- To facilitate strategies to enhance the competitiveness of priority sectors of the economy, in line with the industrial development strategy.
- To promote the development of small business and social enterprises.
- To promote and facilitate economic empowerment programmes.
- To manage the Enterprise Development and Growth Funds.
- To provide an effective and efficient consumer protection service.
- To ensure effective and prudent business regulation in the province.
- To provide effective and efficient environmental management.
- To provide conservation services.

Legislative mandate

The legislative mandate of the department largely stems from the following Acts and Regulations:

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Public Service Act (Act No. 103 of 1994)
- Public Service Regulations, 2001
- Public Finance Management Act (Act No. 1 of 1999), as amended, and Treasury Regulations
- Labour Relations Act (Act No. 66 of 1995)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Employment Equity Act (Act No. 55 of 1998)
- Promotion of Administrative Justice Act (Act No. 3 of 2000)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- The Companies' Act (Act No. 20 of 2004)
- Equality and Prevention of Unfair Discrimination Act (Act No. 4 of 2000)
- KwaZulu-Natal Liquor Licensing Act (Act No. 6 of 2010)
- KwaZulu-Natal Film Commission Act (Act No. 3 of 2010)
- Trade and Investment KZN Act (Act No. 4 of 2010)
- Business Act (Act No. 71 of 1991)
- KwaZulu-Natal Dube TradePort Corporation Act (Act No. 2 of 2010)

- South African National Consumer Protection Act (Act No. 68 of 2008) hereafter referred to as the Consumer Protection Act
- KwaZulu-Natal Liquor Licensing Amendment Act (Act No. 3 of 2013)
- KwaZulu-Natal Consumer Protection Act (Act No. 4 of 2013)
- Tourism Act (Act No. 3 of 2014)
- Special Economic Zones Act (Act No. 16 of 2014)

The following bills have been promulgated, and notification of the respective Act numbers is awaited:

- KwaZulu-Natal Tourism Bill
- Richards Bay Industrial Development Zone Bill
- Ithala Development Finance Corporation Bill
- National Environmental Management Act (NEMA): Integrated Waste Management Bill
- Integrated Coastal Management Bill

Specific Environmental Affairs legislation

- Environmental Management White Paper, 1997
- Environmental Conservation Amendment Act (Act No. 50 of 2003)
- NEMA (Act No. 107 of 1998)
- Atmospheric Pollution Prevention Act (Act No. 45 of 1965)
- Prevention of Environmental Pollution Ordinance (Ordinance No. 21 of 1981)
- NEMA: Air Quality Act (Act No. 39 of 2004)
- Marine Living Resources Act (Act No. 18 of 1998)
- NEMA: EIA Regulations 2006 and Amendments
- Sea Shore Act (Act No. 21 of 1935)
- Municipal Systems Act (Act No. 32 of 2000)
- Spatial Planning and Land Use Management White Paper 2001

Specific Conservation legislation

- KwaZulu-Natal Conservation Management Act (Act No. 9 of 1997)
- National Environmental Management Act (NEMA) (Act No. 107 of 1998)
- NEMA: Protected Areas Management Act (Act No. 57 of 2003)
- NEMA: Biodiversity Act (Act No. 10 of 2004)
- National Water Act (Act No. 36 of 1998)
- Marine Living Resources Act (Act No. 18 of 1998)
- National Heritage Resources Act (Act No. 25 of 1999)
- KwaZulu-Natal Heritage Act (Act No. 10 of 1997)
- National Forest Act (Act No. 84 of 1999)
- World Heritage Convention Act (Act No. 49 of 1999)
- Veld and Forest Fire Act (Act No. 101 of 1998)
- Natal Nature Conservation Ordinance (Act No. 15 of 1974)
- Natural Scientific Professions Act (Act No. 27 of 2003)
- Conservation of Agricultural Resources Act (Act No. 43 of 1983)
- Firearms Control Act (Act No. 60 of 2000)
- Expropriation Act (Act No. 63 of 1957)
- Restitution of Land Rights Act (Act No. 22 of 1994)
- Development Facilitation Act (Act No. 67 of 1995)
- Municipal Demarcation Act (Act No. 27 of 1998)

2. Review of the 2014/15 financial year

Section 2 provides a review of 2014/15, outlining the main achievements and progress made by the department, as well as providing a brief discussion on challenges and new developments.

Integrated economic development

In partnership with other institutions, the department funded areas of skills development and capacity building, in line with its purpose of promoting enterprises and empowering communities.

The department offered bursaries to 44 students in terms of both the post-graduate diploma (20) and Masters Degree in Local Economic Development (LED) (24) courses who studied at University of KwaZulu-Natal (UKZN) in 2014. Other programmes include eight young researchers, nine LED champions and 76 LED practitioners from various LED institutions that attended the 2014 Winter School Workshop.

The department also offered bursaries to nine students who registered for a B.Com degree and 127 students registered for the Diploma in the Management of Co-operatives at the University of Zululand (UNIZULU). Some 40 students who studied toward this diploma graduated in 2014 and were placed in various co-operatives as part of an internship programme.

Training on new legislation on BEE compliance was successfully conducted and concluded in various district municipalities.

Trade and sector development

The department continued to stimulate economic growth and job creation through trade, investment promotion and industrial development, concomitantly leading the development of the province's priority sectors. In terms of progress for 2014/15, the following achievements were made:

- The department successfully hosted the tele-festival event and the Durban International Film Festival, which focussed on growing expertise and local content. About 65 students graduated from the Tool, Die and Mould Powered Apprenticeship programme. The programme has maintained a 92 per cent retention rate within KZN over the past three years.
- The department developed a KZN Exporter Portal in partnership with Trade and Investment KwaZulu-Natal (TIK) to consolidate data on trade and institutions participating therein.
- The department developed the Maritime Careers' Booklet in partnership with the eThekweni Metro and the eThekweni Maritime Cluster aimed at setting up the Maritime Institute.
- The department facilitated the "21 Steps to Retail" programme through the KZN Fashion Council, getting retail space within King Shaka International Airport (KSIA) to showcase and sell KZN designers' garments.
- Chapter 2 of the KZN Social Accord was finalised. This was aimed at developing the green economy, promoting and developing small enterprises and co-operatives, and the e-waste strategy for the province, as well as supporting the development of Special Economic Zones (SEZ) and Industrial Economic Hubs. The feasibility study documents for the Industrial Economic Hubs were finalised, as well as the draft business and implementation plans.

Business regulation and governance

The department commissioned a feasibility study for the establishment of a Regulatory Impact Analysis (RIA) function, which will look at how to minimise red-tape and simplify business regulation.

The MOU involving the department, the Department of Co-operative Governance and Traditional Affairs (COGTA) and the South African Local Government Association (SALGA) in KZN is now fully operational and partnerships were established relating to provision of specialised interventions in respect of business regulations to the stakeholders/public. The Department of Agriculture and Rural Development (DARD) also joined this partnership in 2014/15.

Over the past few years, the department has conducted a number of assessments in relation to business regulation and licensing. This led to a review of the current legislation (Business Act No. 71 of 1991) with the aim of developing customised provincial legislation in line with the current socio-economic and

political dynamics. As a result, the KZN Businesses Bill was developed, aimed at regulating all businesses operating in KZN in a simplified manner.

Economic planning

The department and the Dube TradePort Corporation (DTPC) lodged an application and prepared documentation, following DTPC being designated as an Industrial Development Zone (IDZ). In this regard, the following documentation was prepared:

- Aerotropolis strategy document approved by Cabinet.
- *Ezomnotho* quarterly publications produced and circulated to key stakeholders.

The department initiated an Economic Flash, which is an *ad hoc* economic report that provides analyses and opinions on topical economic issues such as major economic data releases and key global/national/provincial events affecting the economy. This is aimed at keeping the departments and the executive informed on the latest economic developments and their impact on both South Africa and the province. The third annual Green Growth conference was hosted by the department in 2014, with the focus on “Innovative and efficient resource use”.

Tourism

Stakeholder engagements for both the public and private sector were strengthened through the establishment and sustenance of tourism forums which contributed to collaborated initiatives in various areas.

Support was provided to local government initiatives to strengthen economic development through the Graduate Development programme, where 77 unemployed tourism graduates were placed within municipalities for in-service training for six months and gain experiential learning for one year. The development of tourism sector strategies was supported at eMandlangeni Municipality and the Harry Gwala Development Agency, which has a strategic mandate to help promote economic development and create jobs in the Harry Gwala District Municipality. The department hosted tourism business awareness workshops in collaboration with municipalities, enterprise development workshops and provided continuous support to coastal municipalities, such as the Mandeni and Hibiscus Coast Municipalities, to achieve Blue Flag status for their beaches.

The department provided financial and/or operational support through Ezemvelo KZN Wildlife (EKZNW) for community-based products including Ingodini Border Caves, Bhambatha Lodge and Ntsikeni Lodge. The feasibility study and business plan for the Drakensberg cable car were successfully completed, and stakeholder consultations were undertaken. Major events were supported and hosted by the department, such as the Top Gear Festival, East 3 Route expedition, International Tourist Guide Day, Tourism *Indaba* and KZN is Summer campaign.

Environmental Affairs

In 2014/15, the Environmental Affairs and Conservation functions were shifted from Vote 3: Agriculture and Rural Development to DEDTEA.

DEDTEA has put in place a system to address issues that delay the authorisation of Environmental Impact Assessment (EIA) applications. For instance, the department revised its standard operating procedure to ensure speedy EIA application processing. In addition, clients including government entities, were engaged through the support of COGTA structures, such as the forum of Municipalities and Members of the Executive Councils (MuniMEC) which have yielded positive results.

A partnership between the National Department of Environmental Affairs (NDEA) and municipalities led to funding 13 applications for licensing of unlicensed waste disposal sites. This forms part of the national initiative of compliance with waste management laws.

The province has made significant progress in ensuring that air quality monitoring stations are fully operational. Assistance from the NDEA and South African Weather Service ensured that the province reports comprehensively on all matters pertaining to air quality in the province.

Ithala Development Finance Corporation (Ithala)

Ithala is a provincial development finance institution. It is a provincial business enterprise that focuses on economic development through the provision of financial and non-financial services to businesses and individuals.

Ithala's subsidiary, Ithala Limited, has made significant headway toward achieving the targets agreed with the Minister of Finance in 2014. These include, among others, a strategy to reduce costs so as to operate more sustainably. A core deliverable of the strategy remains the implementation of IT systems which will increase channels to markets. This remains challenging, given the limited skills in the IT market. The entity launched new product bundles and transaction services to improve non-interest income.

KwaZulu-Natal Sharks Board (KZNSB)

The core function of the KZNSB is the protection of bathers against shark attacks. This mandate is fulfilled through the installation and maintenance of shark safety gear, deployed to prevent shark attacks at 38 protected beaches along the KZN coastline. In 2014/15, the KZNSB maintained 23.7 km of shark netting and 79 drum-lines off the KZN coast. Collection of meshing fees from the eThekweni Metro, Hibiscus Coast Municipality, among others, remains a challenge and this hampers the entity's ability to replace ageing assets such as nets, vehicles, boat engines, etc.

The KZNSB continued to undertake research on the biodiversity of sharks. The entity also continued with its research work on non-lethal means of protecting bathers in the form of shark repellent technology. The KZNSB also documented all catches, and collected biological information and material to improve understanding of marine animals impacted by the shark safety gear. The entity continued to provide information to help prevent shark attacks at Reunion Island. A number of international and national collaborations on a variety of scientific projects were completed, e.g. the South African Institute of Aquatic Biodiversity and the South African Environmental Observation Network on marine ecologies, etc.

The KZNSB entered into an agreement with Moses Kotane Institute (MKI) for the delivery of the Maritime Educator Development programme to train 200 learners (school teachers and principals) to teach introductory maritime courses at schools. A new Executive Programme in Maritime Management at post-graduate level was introduced to train executives in this sector.

In terms of image, the KZNSB Maritime Institute of Sectoral Occupational Excellence (MISOE) embarked on a structural revamp which sought to give the entity's facilities (displays), together with venues for hire, a facelift in order to attract more clientele as part of the envisaged revenue generating strategy.

The entity successfully hosted the Sharks International Conference in June 2014. This event was highly successful with attendance from all over the globe.

KZN Tourism Authority (TKZN)

In 2014/15, TKZN formed a number of strategic partnerships to boost both domestic, regional and international tourism numbers into the province. Key among these, on the domestic front, is the partnership with Thebe Tourism to launch affordable holiday packages to the domestic market, to be marketed in the form of a reality TV show on SABC 1, called the Holiday Swop.

At a regional level, the direct route between Harare and Durban, as well as Zambia and Durban, helped boost the SADC arrivals to KZN. This is a result of a partnership facilitated by TKZN with South African Express and DTPC.

Internationally, TKZN finalised a deal with a leading tour operator in Poland, to bring 2 500 Polish tourists on charter flights directly to KZN over a five-month period, running until March 2015.

Dube TradePort Corporation (DTPC)

DTPC is mandated to develop the trade port by undertaking or investing in associated projects. The entity plays a multi-faceted role, both enabling and driving the development of the air logistics business.

In 2014/15, the DTPC IDZ was launched, incorporating the TradeZone and AgriZone. The first of DTPC's IDZ enterprises, Samsung Electronics, is located at the TradeZone and became operational during 2014/15.

After the conclusion of the land purchase of 55 per cent of Dube City by DTPC from its subsidiary, La Mercy JV Property Investment (Pty) Ltd, a lease agreement was concluded with a private sector investor for the development of a 21 500m² office block at Dube City. This will be preceded by the construction of a double underground basement parking which is expected to commence toward the end of 2014/15.

Construction of the Watson Highway Link road was concluded, while construction began on the road realignment and guardhouses at TradeZone 1, the TradeHouse and Cargo Terminal parkade and the Hardening Facility (greenhouse) intended for use by the Tissue Culture laboratory. The lack of progress made on the Northern Waste Water Treatment Works has meant that various environmental authorisations, such as that for TradeZone 2 and uShukela, remain outstanding.

Trade and Investment KwaZulu-Natal (TIK)

TIK is an agency whose mandate it is to attract foreign and domestic investment, and to promote exports from, and export capacity within, KZN. Its core activities focus on the promotion and facilitation of fixed investment in KZN, including encouraging and retaining business. TIK also develops export opportunities and the generation of export leads, which open markets for KZN products.

To complement the capacity and effort of South African embassies, TIK partnered with a number of foreign entities such as the Africa German Chamber, the Japan External Trade Organisation, Korea Trade Promotion Corporation, KenyaInvest, Enterprise Florida of the USA, United Kingdom Trade and Investment, Mozambique Centre for Investment and Queensland Trade and Investment. More relationships are under discussion in Brazil, India, Angola, Zambia and Zimbabwe.

TIK engaged further with foreign chambers of business in these countries, as well as with foreign chambers based in South Africa. The more focused and targeted approach is reflected in the quality and quantity of leads generated, leading to a strong pipeline of projects emanating from these engagements, e.g. twinning agreements between uMhlathuze and Milwaukee (USA) which resulted in the Bill and Melinda Gates foundation funding a water reticulation project and between Ilembe District Municipality and Germany in respect of a renewable energy initiative.

As part of TIK's stakeholder engagement process, several events were hosted in 2014/15. These included, among others, the East 3 Route, business round-table session in Cape Town and Africa India Conclave, which is a high level conference and exhibition co-hosted by India's Confederation of Indian Industry.

TIK assisted over 50 KZN companies to showcase their products at various exhibitions, such as the India Engineering Show, *Internacional Fiera de Luanda* and *Internacional Fiera de Benguela – Angola*, Gulf Foods – United Arab Emirates, etc.

Richards Bay Industrial Development Zone (RBIDZ)

RBIDZ is a public entity established to undertake the development of industrial land in the Richards Bay area, in line with a 50-year Master Plan.

In 2014/15, phase 1A Stage 2 civil and electrical engineering infrastructure, as well as bulk earthworks to phase 1A Stage 2 were completed. Five investor leads have been generated to date, whereas 1 263 construction jobs have been created through infrastructure projects to date.

KZN Liquor Authority (KZNLA)

In 2014/15, the entity implemented the KZN Liquor Licensing Act and regulations, and developed a provincial policy and norms and standards pertaining to the retail liquor industry and the micro manufacturing of liquor. The entity established local committees, and three committees were convened to consider applications. The entity established a quarterly forum with industry role players, traders and law enforcement agencies as part of its relationship management strategy. Furthermore, it established a social responsibility programme in respect of alcohol consumption. The KZNLA also conducted inspections of premises of applicants and licence holders to monitor compliance.

Ezemvelo KZN Wildlife (EKZNW)

EKZNW is a public entity that directs the management of biodiversity conservation within KZN, including protected areas. This encompasses the development and promotion of ecotourism facilities within protected

areas. During the year under review, EKZNW adopted a new 5-year strategic plan, with renewed focus on resolving infrastructure backlogs and addressing the low standard of tourist facilities, in an attempt to generate more own revenue and ultimately to become more self-sustainable.

In 2014/15, EKZNW assisted 10 district municipalities with the development of Biodiversity Sector Plan reports. Municipalities assisted included Ilembe, Amajuba, Umzinyathi, Harry Gwala, uMgungundlovu, Uthukela, uThungulu, Zululand, Umkhanyakude, Ugu and a preliminary biodiversity plan for eThekweni Metro. The year under review also saw the stewardship programme conduct three Protected Area Management Effectiveness Assessments for future sites. These were for Thanda, Munyawana and Somkhanda Game Reserves, all in North Zululand.

The successful collaboration between SA and Lesotho witnessed the extension of the Maloti Drakensberg Park World Heritage Site to a trans-national (trans-boundary) World Heritage Site. The park comprises the Sehlabathebe National Park in Lesotho and Maloti Drakensberg Park in SA. The SA component of this park, under management of EKZNW, is by far the largest and the most significant within the great escarpment of Southern Africa and is considered an asset of international significance owing to its unique cultural and natural values.

EKZNW collaborated with five *Amakhosi* to create a Big 5 expansion initiative, adding about 15 000 hectares to the southern side of the Imfolozi Game Reserve.

The scourge of rhino poaching in KZN and in SA as a whole remains one of the greatest threats to the future existence of the species. However, it is notable that there was an 11 per cent decrease in poaching in state protected areas. Unfortunately, there has been a dramatic rhino poaching increase in private parks and community parks and, of the 99 rhinos that were poached in KZN, 36 were from private game reserves and community conservation areas.

3. Outlook for the 2015/16 financial year

Section 3 looks at the key areas of 2015/16, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments.

The bulk of the department's budget allocation caters for transfers to its entities such as DTPC, EKZNW, Ithala, TKZN, TIK, RBIDZ and KZNLA. With the 2015/16 budget, the department will continue to support SMMEs and co-operatives, the establishment of the Small Business Development Agency (SBDA), and to implement projects including the Industrial Economic Hubs, the aerotropolis, the KZN Consumer Protection Act, Invasive Alien Species Programme (IASP), as well as restructuring the Maritime Cluster and finalising the EIA for the Drakensberg cable car project. The department will continue to host various events such as *uMyezane* Awards, Metro FM Awards, uMthayi Marula Festival, among others.

Integrated economic development

Capacity building initiatives: In 2015/16, the department will continue to capacitate and build initiatives with existing and new partners. New programmes will include the KZN Youth Technical Short Skills Training, whereby about 4 000 youth and 70 women per district will be trained on sewing skills.

Job creation initiatives: The KZN Gijima Local Competitiveness Fund (LCF) invites priority economic sectors to provide adequate technical assistance. This programme, which is aimed at soliciting specific expertise from the relevant industry players and social partners, also aims to implement a sugar industry initiative to support sugar growing in rural areas, and consider the value-chain opportunities. About 3 000 hectares will be planted over three years and it is anticipated that, through this initiative, approximately 1 000 jobs will be created. Also, the department will enter into partnership with the M-Net Mzansi Magic channel and the KZN Film Commission to film three movies that will benefit 45 youth (including actors and technical team). Furthermore, 22 interns will be placed within co-operatives in the province.

Small enterprise support: The department has developed the KZN SMME Master Plan which seeks to address holistic support provided to SMMEs and co-operatives in the province. In 2015/16, the department aims to develop a KZN SMME database (KZN web-based SMME and co-operatives data register and

Management Information System), create a directory of women-owned businesses and establish a KZN Women Advisory Committee.

Trade and sector development

The department will ensure that key sectors identified are developed to enable greater economic activity and jobs in the province. In line with the plan to address challenges brought about by fiscal constraints, the department is strengthening partnerships with the private sector to ensure synergies and greater collaboration to deliver the objectives of government. Also, the department will focus on the implementation of Industrial Economic Hubs, restructuring the Maritime Cluster, and outlining specific aerotropolis projects through the finalisation of the aerotropolis implementation plan. The department will form partnerships with civil society to ensure successful implementation of these initiatives.

Business regulation and governance

Various quality improvement measures are planned for 2015/16, including the need to continuously monitor the implementation of the Informal Trade Framework policy in partnership with municipalities, the full implementation of the KZN Liquor Licensing Amendment Act, and the applicable regulations, and the finalisation of regulations relating to the KZN Consumer Protection Act and will also focus on implementation of the Act.

KZN informal economy web-based database: It is widely known that the informal economy is one of the biggest sectors and contributes significantly to the GDP in the country. The department started to develop a web-based system that will be used to provide necessary reports to streamline and support growth for the informal sector to be competitive, and to promote information about the sector. The development of the system by the department is currently underway and will be completed in 2015/16.

Partnership with other departments: In May 2014, the department entered into a partnership with the Department of Home Affairs (DHA) which is responsible for publishing new regulations to the Immigration Act. This law has a direct impact on the function of municipalities in supporting and regulating trade within their jurisdiction. In 2015/16, the municipalities will have direct access to the DHA in order to vet the documentation of foreign nationals who want to open businesses in SA.

Economic planning

In 2015/16, the strategic priorities of the department will be to provide innovative economic research, including macro-economic analysis and planning, formulation of sound economic strategies tracking the impact of economic interventions and provision of up-to-date and reliable economic statistics in the province. Through research, the department will generate market intelligence to identify sectoral and investment opportunities. This exercise will also involve benchmarking with other economies for the purposes of learning best practices. As part of its broader mandate, the department will also track international trade developments in Brazil, Russia, India, China and South Africa (BRICS), the Southern African Development Community (SADC) countries and the World Trade Organisation (WTO), with the prime purpose of identifying opportunities for KZN companies to expand trade and investment.

Tourism

In 2015/16, the department will drive the implementation of the KZN Tourism Master Plan in line with the National Tourism Sector Strategy with specific focus on the following:

- Blue Flag beaches economic impact analysis.
- Enforcement of tourist guide legislation.
- Development of an appropriate regulatory framework for the province following the promulgation of Tourism Act, No. 3 of 2014.
- Finalisation of the EIA for the Drakensberg cable car project and development of the spatial development framework of the area.
- Continuing with the hosting and support of major events.

Environmental Affairs

The department will promote sound environmental management practices by focusing on the following:

Climate change: The department will contribute to climate change impact management by effectively facilitating the implementation of adaptation and mitigation measures to build a climate change resilient province and contribute toward the country's effort to stabilise greenhouse gas concentrations in the atmosphere by promoting clean development mechanisms.

Environmental authorisations: DEDTEA will enhance the processing of applications for authorisations by opening forums where the applicants, the developers, and officials will have pre-application meetings and engage on matters pertinent to the applications.

Compliance monitoring and enforcement: The department will monitor compliance with environmental legislation and authorisations relating to waste management, air quality management etc. and carry out enforcement actions where required.

Invasive Alien Species Programme (IASP): The department will continue ensuring that the implementation of IASP will be conducted successfully.

Ithala Development Finance Corporation (Ithala)

The implementation of the properties restructuring strategy is set for 2015/16, and therefore improved earnings through rental receipts are expected. However, it is expected that the partners to these projects will demand a higher level of maintenance to ensure tenant consistency and, for this reason, growth in maintenance costs is expected to be around 20 per cent. The property portfolio is seen as a core enabler in some of the DEDTEA Industrial Economic Hubs, such as in the Ndumo area.

Non-performing loans will continue to receive attention in 2015/16. However, Ithala's interest rates are capped and net interest on loan growth is limited. Other means of revenue generation will therefore be explored.

Ithala Limited will continue to focus on improved cost-to-income levels and ways of bringing products to the market benchmarking these against industry peers. The increase of the sales channels to market new services is expected to increase the percentage of service fee income, while the conclusion of the hosted banking and insurance IT systems will augment service delivery capability. Finally, Ithala Limited will turn to the market to seek strategic partnerships that will improve the performance of the bank.

KwaZulu-Natal Sharks Board (KZNSB)

KZNSB will continue protecting bathers against shark attacks, at the same time striving to conserve marine species. It will intensify research efforts to produce a shark repellent prototype cable which can be installed at suitable locations, and the efficacy and human safety aspects validated before full scale production.

The KZNSB will also continue to assist provincial, national and international environmental management agencies and other interested parties through sharing of information. It will also continue to provide an educational service to scholars, media and the public. Increased focus will be placed on marketing the activities of the KZNSB to the public, thereby enhancing coastal tourism and conducting awareness programmes, advocacy and lobbying campaigns.

The entity plans to participate at local and international expos and trade shows to vigorously market the activities of KZNSB and MISOE, aimed at increasing the entity's revenue.

Besides the ongoing courses and delivery of the Maritime Educator Development Programme, KZNSB and MISOE will deliver on the MOU with the SA Navy (after receiving accreditation from the Department of Labour) by conducting courses in commercial diving. MISOE is rolling-out a National Certificate in Freight Forwarding and Customs Compliance learnership, and 25 learners will participate in this learnership.

KZN Tourism Authority (TKZN)

Key outputs for 2015/16 include partnerships with major international tour operators in order to drive greater tourist numbers into KZN from other parts of the world, as well as with the country's major media houses that have a footprint in the province's major African, European and American markets.

TKZN is a key driver in the hosting of the global airline industry's annual meetings and exhibition event, the World Routes 2015, which will boost KZN efforts to position KSIA for direct international air arrivals.

A number of deals with international airlines are expected to be signed at the event. TKZN will also be hosting the Loeries in Durban, South Africa's premier advertising awards, that are projected to have an economic impact in the region of R100 million.

Dube TradePort Corporation (DTPC)

The DTPC IDZ is expected to be converted to a SEZ in 2015/16, while the rules and procedures for locating in the DTPC IDZ and the custom controlled area will be concluded. As the DTPC IDZ becomes more established, additional sector-specific private sector investment will be targeted and additional land purchases will be made to ensure that there is sufficient lead-time to obtain the planning approvals required to prepare the new land parcels for future development by the private sector, as well as possible incorporation into the DTPC IDZ.

Construction of a double underground basement at Dube City will continue in 2015/16. Planning and development for phase 2 of the AgriZone will commence and TradeZone 1b will be prepared for its expected launch date in 2016.

The Dube Cargo Terminal intends to maintain the excellent operational benchmarks set to date, while the Air Cargo Strategy will be reviewed, updated and implemented, with the intention of driving an increase in cargo volumes. Dube iConnect aims to grow its revenue base, particularly in the provision of hosting and disaster recovery services and to increase the visibility of its product offering to the market.

Trade and Investment KwaZulu-Natal (TIK)

In 2015/16, TIK will take a leading role in the development of the investment environment. As such, TIK will establish a Provincial Trade and Investment Council to facilitate the co-ordination of all trade and investment programmes from the municipal through to provincial government level.

TIK will work closely with DEDTEA in promoting industrial hubs and attracting relevant investors for each hub. This includes the packaging of completed and identified investment opportunities. The entity will assist in retaining companies that have already invested in KZN and help them to grow their business.

The sourcing and recruitment of new industries in line with the national BRICS strategy is a core focus of TIK in 2015/16. TIK will continue to work with various stakeholders in improving the investment climate in KZN in creating a conducive business environment.

Richards Bay Industrial Development Zone (RBIDZ)

Detailed investigations such as geo-technical, geo-hydrological, wetland, flood line and environmental assessments will take place to support development and environmental applications that have to be submitted to the relevant authorities for approval. Facilitation of the signed investors to obtain environmental approvals will continue in 2015/16, and efforts to sign further investors will be intensified.

The RBIDZ will explore opportunities to align with Operation *Phakisa* initiatives (oil and gas feasibility, marine engineering feasibility) and further linkages with industrial hubs.

KwaZulu-Natal Liquor Authority (KZNLA)

The entity will continue to create organisational capacity to execute its mandate, by appointing required specialists in core business areas and training of staff and board members. The entity will develop a communication strategy and review the stakeholder forums in order to enhance the stakeholder engagement process. The focus in 2015/16 will be on increasing revenue collection, including implementing tougher measures on illegal trading and relaxation of licence conditions where appropriate.

Ezemvelo KZN Wildlife (EKZNW)

EKZNW will continue visiting community members to create awareness on a number of conservation related issues and establish stronger bonds with local authorities to combat any form of poaching. In 2015/16, the entity will continue with the roads upgrade programme, with the focus being on the Hluhluwe-Imfolozi Park, which is the reserve that attracts the highest number of visitors, as well as the Royal Natal National Park road. It will also continue to upgrade its accommodation facilities.

The entity will continue to carry out community-levy projects, as these are beneficial in managing the human-wildlife conflict with neighbouring communities. Projects like the Ezemvelo Cup, as well as the Ambassador programme, have in the past contributed immensely to improving relationships with the communities staying adjacent to the parks. The entity will continue to implement job creation projects on behalf of Environmental Affairs, such as IASP.

EKZNW will also continue with the successful management of the World Heritage sites, such as the Maloti Drakensberg Park World Heritage Site. The entity also hopes to address a funding gap with the NDEA, as no funding was provided to manage this site at the implementation of the management agreement. It will also seek to improve its relationship with the iSimangaliso Wetland Park Authority. The entity will continue with its efforts to protect endangered species, such as the rhino.

4 Receipts and financing

4.1 Summary of receipts and financing

Table 4.1 shows the sources of funding for the department over the seven-year period 2011/12 to 2017/18. The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 4.1 : Summary of receipts and financing

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2014/15 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Equitable share | 2 171 046 | 2 307 380 | 2 621 128 | 2 812 630 | 2 840 316 | 2 840 316 | 2 950 707 | 3 065 843 | 3 219 734 |
| Conditional grants | 8 852 | 10 708 | 550 | 16 827 | 16 827 | 16 827 | 8 162 | - | - |
| EPWP Integrated Grant for Provinces | 8 852 | 10 708 | 550 | 16 827 | 16 827 | 16 827 | 8 162 | - | - |
| Total receipts | 2 179 898 | 2 318 088 | 2 621 678 | 2 829 457 | 2 857 143 | 2 857 143 | 2 958 869 | 3 065 843 | 3 219 734 |
| Total payments | 2 226 580 | 2 421 869 | 3 311 354 | 2 883 969 | 3 013 455 | 3 013 455 | 2 973 459 | 3 080 528 | 3 219 734 |
| Surplus/(Deficit) before financing | (46 682) | (103 781) | (689 676) | (54 512) | (156 312) | (156 312) | (14 590) | (14 685) | - |
| Financing | | | | | | | | | |
| of which | | | | | | | | | |
| Provincial roll-overs | - | 28 256 | - | - | - | - | - | - | - |
| Provincial cash resources | 90 072 | 179 362 | 690 623 | 54 512 | 156 312 | 156 312 | 14 590 | 14 685 | - |
| Surplus/(Deficit) after financing | 43 390 | 103 837 | 947 | - | - | - | - | - | - |

The department receives a provincial allocation in the form of an equitable share, and a national conditional grant allocation in respect of the EPWP Integrated Grant for Provinces. The department's baseline has increased from R2.227 billion to R3.220 billion, over the period under review.

The department received conditional grant funding for the EPWP Integrated Grant for Provinces from 2011/12 to 2015/16. This funding includes amounts that were moved from Vote 3 in line with the Environmental Affairs function shift relating to IASP. The department receives R8.162 million in respect of this grant in 2015/16. There is no allocation for the two outer years of the MTEF, at this stage.

In 2011/12:

- Provincial cash resources of R90.072 million were allocated for DTPC strategic projects such as cargo shed ramp handling facilities, additional AgriZone works and re-capitalisation of the cargo terminal, for the SMME risk sharing fund with Standard Bank, and the transfer to TKZN for the UCI/BMX events.
- The department under-spent by R43.390 million in 2011/12, which included an amount of R25.423 million which was deemed to be a prepayment relating to the Top Gear Festival and KZN Convention Bureau Bid Fund. As this was a prepayment, the A-G advised that this amount be removed from 2011/12 and be allocated in the year the festival and bid fund took place, hence the expenditure was reduced. Also contributing to this under-spending were delays in the establishment of the KZNLA, as well as non-filling of posts.

In 2012/13:

- R28.256 million was rolled over from 2011/12 relating to commitments with regard to the Top Gear Festival, as well as Travel Agents Federation of India (TAFI) events such as the TAFI Convention 2013 and the KZN Convention Bureau Bid Fund.

- The department was also allocated R179.362 million from provincial cash resources. Of this amount, R101.411 million was allocated for major provincial events, such as the North Sea Jazz Festival, Metro FM Awards, BRICS Summit, etc. Additional funding was also allocated to TKZN for their SAP and VIP pay-roll system, and to KZNSB, largely for capital requirements. An amount of R28.137 million was allocated to EKZNW for the Rhino Security Intervention plan, including provision for thermal imaging, helicopter time, field rangers, vehicles, etc. An amount of R40 million was received toward expanding the EPWP job creation initiative of Environmental Affairs, whereby EPWP job opportunities were provided through the expansion of existing programmes. In addition, R9.814 million was allocated to EKZNW for the higher than anticipated 2012 wage agreement.
- The budget was under-spent by R103.837 million in 2012/13, due to expenditure that was deemed to be prepayments for events, such as the Top Gear Festival and MTV Awards, amounting to R15.896 million and R36.212 million, respectively. These contributed to the under-spending due to the fact that expenditure was only recognised when the events took place in the following year. Also contributing, was expenditure relating to the North Sea Jazz Festival which was moved into a debt account to recover R26.900 million paid to the event organisers, since there were serious contractual problems that emerged involving the promoter. This under-spending also related to delays in finalising SLAs and SCM processes for various projects, including the Integrated Craft Hub, Ekhaya Multi-Art Centre, Tourism Mentorship Partnership, Durban International Airport Plan, Durban Film Festival, Fresh Produce Mentorship, among others.

In 2013/14, the department's allocation was increased by R690.623 million from provincial cash resources, as explained below:

- Funds of R535.120 million were returned by Ithala to the Provincial Revenue Fund, for direct transfer by Vote 4 to the KZN Growth Fund Trust which is now a stand-alone entity. Thus, these funds were required to be transferred directly from the parent department to the Trust.
- R19.003 million was allocated for EKZNW's Rhino Security Intervention plan, being the carry-through of the amounts allocated in 2012/13. EKZNW also received additional funding of R20 million for the Rhino Security Intervention plan.
- KZNSB received once-off additional funding of R10.500 million for land purchases, for erection of new offices, since the current premises are not suitable for expansion including the MISOE.
- R105 million was allocated to Ithala for the Ithala Limited capital adequacy ratio.
- The department received R1 million for spending on Operation *Sukuma Sakhe* (OSS) initiatives.

The budget was slightly under-spent by R947 000 in 2013/14. While there was over-spending of R236 000 relating to Economic Development and Tourism, (which was unauthorised expenditure), there was also under-spending incurred by Environmental Affairs. The under-spending can be ascribed to late commencement of some environmental projects such as the aerial photography of the coastline for a coastline study to determine the dynamic interface between the ocean and the land. This was due to lengthy procurement processes. Also contributing was unspent funds in respect of the Greenest Municipality competition as a result of the Endumeni Municipality not submitting the required business plan. Also, the annual transfer to Wildlife and Environmental Society of South Africa (WESSA) was not made due to technical problems with the banking details of the institution.

The 2013/14 over-expenditure of R236 000 resulted in unauthorised expenditure in terms of the adoption of the resolutions of SCOPA by the Legislature on 9 December 2014. Thus, in terms of Section 34(2) of the PFMA, the department is liable for the repayment of this over-expenditure. This has resulted in a first charge of R236 000 being implemented against the budget in 2015/16, and is reflected as a footnote in Tables 4.4 and 4.5 below.

In the 2014/15 Adjusted Appropriation, provincial cash resources of R156.312 million were allocated as follows:

- R39.512 million relating to the unspent and uncommitted portion of EKZNW's road maintenance budget which was suspended from 2013/14. This amount was allocated back to the entity in 2014/15.

- R6 million was allocated to the KZNSB for MISOE operational costs.
- R7 million was allocated to TIK for the Technical Assistance Fund (TAF) and marketing.
- R2 million was allocated to KZNLA for the procurement of an IT system, as well as carry-through of previous wage agreements.
- R101.800 million, surrendered from Ithala's Equity Fund and paid into the Provincial Revenue Fund, was allocated as follows:
 - R50 million was transferred to Ithala Limited to ensure that it maintains a certain minimum capital adequacy ratio percentage.
 - R26 million was allocated for World Routes 2015. Of this amount, R4 million increased the allocation to TKZN, since the entity will be responsible for promoting and marketing this event.
 - R25.800 million was allocated for the construction of the Ndumo retail centre and petrol filling station. A portion of R800 000 was to cater for consultants fees relating to the construction of the Ndumo taxi rank and informal stalls.
- The 2014/15 Revised Estimate reflects a balanced budget. However, the department indicated that an amount of R5 million allocated for the Nelson Mandela Golf Tournament will not be spent in 2014/15, since this event was postponed to April 2015. Hence, the suspension of these funds to 2015/16 has been requested by the department. This is not yet reflected in the table above.

In 2015/16, once-off additional funding was allocated to RBIDZ for infrastructure developments relating to the entity's Master Plan. The department receives additional funding from 2014/15 to 2016/17 allocated from provincial cash resources, including carry-through allocations to the KZNSB for MISOE operational costs, TIK for TAF and marketing, to fund KZNLA for the procurement of an IT system.

4.2 Departmental receipts collection

Table 4.2 below gives a summary of the receipts collected by the department. Details of departmental receipts are given in the *Annexure – Vote 4: Economic Development, Tourism and Environmental Affairs*.

Table 4.2 : Summary of departmental receipts collection

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|--------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | 465 | 4 927 | 5 110 | 6 015 | 6 015 | 21 609 | 20 086 | 20 745 | 22 280 |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | 465 | 4 927 | 5 110 | 6 015 | 6 015 | 21 609 | 20 086 | 20 745 | 22 280 |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 2 242 | 2 219 | 2 114 | 2 202 | 2 202 | 2 207 | 2 210 | 2 219 | 2 330 |
| Transfers received | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | 111 | 703 | 1 279 | 500 | 500 | 803 | 500 | 500 | 525 |
| Interest, dividends and rent on land | - | 17 | 3 | 4 | 4 | 29 | 5 | 6 | 6 |
| Sale of capital assets | 304 | 411 | 147 | - | - | - | - | - | - |
| Transactions in financial assets and liabilities | 342 | 4 905 | 902 | 49 | 49 | 64 | 51 | 54 | 56 |
| Total | 3 464 | 13 182 | 9 555 | 8 770 | 8 770 | 24 712 | 22 852 | 23 524 | 25 198 |

The main revenue collected by the department is in respect of *Liquor licences*. The KZNLA is responsible for the liquor licensing functions. One of its roles includes the surveillance of the industry to ensure that compliance of licences is enhanced, including the collection of licence fees. In order to enhance revenue, the KZNLA reviewed the licence types and their respective tariffs. The KZN Liquor Licensing Amendment Act, together with the Regulations, were promulgated in February 2014. This resulted in a substantial amount of revenue being collected in respect of annual renewal fees due to the newly implemented fees. A positive growth is reflected over the MTEF, showing the entity's concerted effort to optimally enhance revenue collections.

Revenue from *Sale of goods and services other than capital assets* relates to commission on insurance and parking rental for staff. The increase over the MTEF is based on inflationary increments.

Fines, penalties and forfeits can be attributed to the once-off payment of fines by companies or individuals that are not in compliance with the EIA regulations. The department is anticipating to over-collect its 2014/15 budget as a result of higher than anticipated EIA regulation offences reported. Collection against this category is uncertain in nature and therefore difficult to predict, hence the department is very conservative in terms of budgeting for this category over the MTEF period.

Interest, dividends and rent on land relates to interest on outstanding debt, such as staff debts and is difficult to project due to its uncertain nature.

Revenue collected against *Sale of capital assets* is in respect of the disposal of redundant vehicles. Over the MTEF, no vehicle sales are anticipated, at this stage.

Revenue collection against *Transactions in financial assets and liabilities* mainly relates to previous years' staff debts which are difficult to budget for. The high collection in 2012/13 is largely attributed to the 2011/12 liquor licence fees that were not paid over in that year to the entity by the licensees, due to challenges in the establishment of the entity. Further contributing to this collection was money recovered from a service provider for previous year's expenditure relating to one of the department's LED projects. The department anticipates to over-collect its budget in the 2014/15 Revised Estimate due to the department's concerted effort to recover outstanding staff debts. Revenue increases over the MTEF, reflecting inflationary increments.

4.3 Donor funding – Nil

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in the *Annexure – Vote 4: Economic Development, Tourism and Environmental Affairs*.

5.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- National Treasury imposed fiscal consolidation cuts on the equitable share and conditional grant allocations of provinces for 2015/16 and 2016/17. In KZN, the bulk of the equitable share cut is absorbed by reducing the Contingency Reserve, stopping of the Strategic Cabinet Initiatives Fund, etc. As part of the fiscal consolidation, National Treasury has not provided any funding for the carry-through costs of the 2014 wage agreement, and the department therefore had to fund these by internal reprioritisation and lowering growth of non-essential item budgets.
- The Strategic Cabinet Initiatives Fund used to fund events such as Metro FM Awards, Nelson Mandela Golf Tournament, among others, falls away from 2015/16 onward in line with the fiscal consolidation. If the department continues with these events, then funds will have to be reprioritised from within the department's baseline or strategic partnerships must be formed to help fund these projects/events.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2014/15, will continue to be adhered to over the 2015/16 MTEF, in conjunction with National Treasury Instruction 01 of 2013/14: Cost-containment measures. The cost-cutting measures have been updated to include those that were adopted by the Committee of HODs (COHODs) in December 2014, and an updated circular issued to departments and public entities.
- Provision was made for an inflationary wage adjustment of 5.6, 5.5 and 5 per cent for each of the three years of the 2015/16 MTEF, respectively. The department also provided for the 1.5 per cent pay progression.
- Provision has been made for the filling of vacant posts, while taking into account the moratorium on the filling of non-critical vacant posts. All inflation related increases are based on CPI projections.

5.2 Additional allocations for the 2013/14 to 2015/16 MTEF

Table 4.3 shows the additional funding received by the department over the three MTEF periods: 2013/14, 2014/15 and 2015/16.

The purpose of the below table is two-fold. Firstly, it shows the quantum of additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated.

The carry-through allocations for the 2013/14 and 2015/16 MTEF periods (i.e. for the financial years 2017/18) are based on the incremental percentage used in the 2015/16 MTEF.

Table 4.3 : Summary of additional provincial allocations for the 2013/14 to 2015/16 MTEF

| R thousand | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|--|-----------------|-----------------|-----------------|------------------|------------------|
| 2013/14 MTEF period | (33 424) | (69 709) | (86 474) | (90 452) | (94 974) |
| Census data update and 1%, 2% and 3% baseline cuts | (33 424) | (69 709) | (86 474) | (90 452) | (94 974) |
| EKZNW - Rhino Security Intervention plan | 19 003 | - | - | - | - |
| 2014/15 MTEF period | | 37 820 | 14 562 | (26 477) | (27 801) |
| EKZNW - suspension of parts of road maintenance funds from 13/14 | | 39 512 | - | - | - |
| Function shift: ADA to DARD | | (39 945) | (41 571) | (43 774) | (45 963) |
| KZNSB - MISOE | | 6 000 | 6 000 | 6 000 | 6 300 |
| TIK - TAF and marketing | | 7 000 | 7 000 | 7 000 | 7 350 |
| KZN Liquor Authority - IT system | | 2 000 | 1 590 | 1 685 | 1 769 |
| KZN Liquor Authority - Operational costs | | 25 768 | - | - | - |
| RBIDZ - Infrastructure relating to Master Plan | | - | 40 000 | - | - |
| Carry-through of previous wage agreements | | 1 061 | 2 048 | 2 366 | 2 484 |
| Carry-through of previous wage agreements - EKZNW | | 3 661 | 7 069 | 8 168 | 8 576 |
| Centralisation of communications budget under OTP | | (6 737) | (7 074) | (7 399) | (7 769) |
| Centralisation of external bursaries budget under OTP | | (500) | (500) | (523) | (549) |
| 2015/16 MTEF period | | | 4 259 | 4 228 | (10 380) |
| Removal of KZNSB - MISOE in 2017/18 | | | - | - | (6 300) |
| Removal of TIK - TAF and marketing in 2017/18 | | | - | - | (7 350) |
| Removal of KZN Liquor Authority - IT system in 2017/18 | | | - | - | (1 769) |
| Pmb Bike City shifted to DOSR | | | (9 391) | (9 832) | (10 323) |
| KZN Music House shifted to DAC | | | (12 000) | (12 600) | (13 230) |
| Remainder of Environmental Affairs function shift from DARD | | | 11 356 | 12 017 | 12 719 |
| Decentralisation of bursaries budget | | | 500 | 523 | 549 |
| Transfer to KZN Liquor Authority - operational costs | | | 13 794 | 14 120 | 15 324 |
| Total | (33 424) | (31 889) | (67 653) | (112 701) | (133 155) |

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

Additional funding for EKZNW's Rhino Security Intervention plan was allocated, in 2013/14 only, being the carry-through of the amount allocated in the 2012/13 Adjusted Appropriation.

The allocation over the 2014/15 MTEF includes once-off additional funding allocated toward EKZNW in respect of road maintenance (being funds that were suspended from 2013/14) and funding was allocated for carry-through costs of previous wage agreements for EKZNW.

Also included was the carry-through to KZNSB for MISOE operational costs, TIK for the TAF and marketing, KZNLA for the procurement of an IT system, as well as the carry-through of previous wage agreements. In addition, once-off additional funding was added for the operational costs in respect of the KZNLA which is now also funded from increased liquor licences revenue from 2015/16 onward. RBIDZ receives once-off additional funding in 2015/16 for infrastructure development in line with the entity's Master Plan. Mitigating this, to some extent, was the function shift in respect of the Agri-business Development Agency (ADA) to DARD, as well as centralisation of the budget in respect of parts of the communications and external bursaries under the Office of the Premier (OTP).

In the 2015/16 MTEF, additional funding was received in respect of the Environmental Affairs function shift, and decentralisation of external bursaries budget to the department from OTP. KZNLA receives an increased transfer to provide for the entity's operational costs, which are funded from increased liquor licences revenue collected by this entity. This was reduced by shifting of PMB Bike City funds which were moved to the Department of Sport and Recreation (DOSR) because it is a sport-related event. Also, funding for the KZN Music House was shifted to the Department of Arts and Culture (DAC) as a result of a directive from the Premier. Hence, additional funding is lower than prior years, as amounts have been adjusted to take into account these shifts.

In 2017/18, the additional allocations for KZNSB for MISOE operational costs, TIK for the TAF and marketing and KZNLA for the procurement of an IT system were removed from the department's baseline. These funds were only made available for three years from 2014/15 to 2016/17.

5.3 Summary by programme and economic classification

Tables 4.4 and 4.5 provide a summary of payments and budgeted estimates by programme and economic classification, respectively, for the period 2011/12 to 2017/18.

The department has seven programmes and is made up of two sectors, as explained below.

The budget structure, in particular the Economic Development and Tourism sector, largely conforms to the uniform budget and programme structure for the sector and is made up of six programmes that are directly linked to the department's core functions, namely Administration, Integrated Economic Development Services, Trade and Sector Development, Business Regulation and Governance, Economic Planning, and Tourism. The main difference to the budget and programme structure for the sector is that, in KZN, Gambling and Betting falls under Vote 6: Provincial Treasury.

The seventh programme is Environmental Affairs which largely conforms to the uniform programme structure for the Environmental Affairs sector, giving the required information by sub-programme and sub-sub-programme, because of the level of detail required by the sector.

As explained previously, the department is liable for the repayment of the previous year's over-expenditure, resulting in a first charge against the budget in 2015/16, and this is reflected under Programme 6: Tourism and against *Payments for financial assets*. This is shown as a footnote below the totals in Tables 4.4 and 4.5 below.

The fluctuating trend over the seven-year period can be ascribed to once-off additional funding for increased transfers to public entities such as KZNSB, TKZN, the Growth Fund Trust and Ithala, as well as funding from the Strategic Cabinet Initiatives Fund, for events such as the SA Women's Golf Championship, Metro FM Awards and the Nelson Mandela Golf Tournament, among others. This accounts for the significant increase in 2013/14.

Table 4.4 : Summary of payments and estimates by programme: Economic Development, Tourism and Environmental Affairs

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 209 594 | 212 465 | 226 097 | 194 876 | 201 269 | 201 269 | 233 095 | 233 994 | 245 795 |
| 2. Integrated Economic Development Services | 427 553 | 407 358 | 1 073 730 | 441 576 | 561 053 | 555 469 | 422 715 | 438 157 | 496 512 |
| 3. Trade and Sector Development | 650 921 | 599 493 | 753 992 | 882 294 | 830 717 | 832 760 | 957 259 | 998 546 | 1 041 123 |
| 4. Business Regulation and Governance | 37 313 | 86 092 | 68 114 | 110 360 | 107 889 | 105 699 | 100 290 | 108 988 | 113 166 |
| 5. Economic Planning | 18 302 | 18 546 | 20 566 | 31 161 | 24 277 | 23 627 | 37 482 | 39 589 | 41 568 |
| 6. Tourism | 164 485 | 283 320 | 345 251 | 286 673 | 353 715 | 360 096 | 298 771 | 287 581 | 259 215 |
| 7. Environmental Affairs | 718 412 | 814 595 | 823 604 | 937 029 | 934 535 | 934 535 | 923 847 | 973 673 | 1 022 355 |
| Total | 2 226 580 | 2 421 869 | 3 311 354 | 2 883 969 | 3 013 455 | 3 013 455 | 2 973 459 | 3 080 528 | 3 219 734 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (236) | - | - |
| Baseline available for spending after 1st charge | 2 226 580 | 2 421 869 | 3 311 354 | 2 883 969 | 3 013 455 | 3 013 455 | 2 973 223 | 3 080 528 | 3 219 734 |

Table 4.5 : Summary of payments and estimates by economic classification: Economic Development, Tourism and Environmental Affairs

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 692 342 | 782 121 | 757 711 | 829 173 | 822 992 | 823 616 | 927 893 | 957 572 | 1 018 516 |
| Compensation of employees | 194 742 | 215 531 | 233 977 | 278 208 | 273 502 | 271 629 | 318 426 | 337 774 | 353 315 |
| Goods and services | 497 600 | 566 590 | 523 727 | 550 965 | 549 490 | 551 987 | 609 467 | 619 798 | 665 201 |
| Interest and rent on land | - | - | 7 | - | - | - | - | - | - |
| Transfers and subsidies to: | 1 529 555 | 1 619 285 | 2 541 637 | 2 048 634 | 2 180 629 | 2 180 631 | 2 038 564 | 2 120 110 | 2 197 974 |
| Provinces and municipalities | 914 | 4 282 | 11 209 | 1 520 | 5 705 | 5 705 | 2 281 | 1 033 | 1 035 |
| Departmental agencies and accounts | 1 132 872 | 1 236 616 | 1 442 896 | 1 607 131 | 1 501 480 | 1 501 481 | 1 550 333 | 1 631 216 | 1 698 686 |
| Higher education institutions | - | - | - | - | 250 | 250 | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 339 636 | 332 109 | 406 835 | 254 170 | 502 456 | 502 456 | 273 947 | 223 907 | 227 702 |
| Non-profit institutions | 45 426 | 38 531 | 669 159 | 171 408 | 156 748 | 156 748 | 201 623 | 253 546 | 259 623 |
| Households | 10 707 | 7 747 | 11 538 | 14 405 | 13 990 | 13 991 | 10 380 | 10 408 | 10 928 |
| Payments for capital assets | 4 681 | 15 478 | 12 006 | 6 162 | 9 834 | 9 208 | 6 766 | 2 846 | 3 244 |
| Buildings and other fixed structures | - | - | - | - | - | 28 | - | - | - |
| Machinery and equipment | 4 298 | 15 328 | 5 584 | 5 362 | 9 692 | 8 508 | 6 566 | 2 846 | 3 244 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 383 | 150 | 6 422 | 800 | 142 | 672 | 200 | - | - |
| Payments for financial assets | 2 | 4 985 | - | - | - | - | 236 | - | - |
| Total | 2 226 580 | 2 421 869 | 3 311 354 | 2 883 969 | 3 013 455 | 3 013 455 | 2 973 459 | 3 080 528 | 3 219 734 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (236) | - | - |
| Baseline available for spending after 1st charge | 2 226 580 | 2 421 869 | 3 311 354 | 2 883 969 | 3 013 455 | 3 013 455 | 2 973 223 | 3 080 528 | 3 219 734 |

The increasing trend from 2011/12 to 2013/14 against Programme 1: Administration was largely due to events funded from the Strategic Cabinet Initiatives Fund, including the World Golf Championship and Metro FM Awards, and funding was reprioritised from other programmes for events/projects such as the Top Gear Festival, the Industrial Economic Hubs, the Royalty Soapie Awards, Ithala Repositioning strategy and the aerotropolis strategy which were budgeted for under the office of the HOD, hence the decrease in 2014/15. The budget in 2015/16 includes funds in respect of the Environmental Affairs function shift from DARD for administration support staff, such as the finance and human resources directorates, as well as decentralisation of external bursaries budget from OTP. The high growth over the MTEF is ascribed to projects such as the KZN tourism ambassadors programme, where individuals work with the department and its entities in promoting, profiling and marketing the province and its tourism products in order to grow the domestic tourism market. The high growth is also ascribed to the Strategic Investment Team (SIT), appointed to assist the province and project promoters to package viable employment-generating projects or businesses for funding.

The high spending in 2011/12 against Programme 2: Integrated Economic Development Services is attributed to SMME and co-operatives rehabilitation projects in the bakery, school nutrition and agricultural products sectors. The declining trend in 2012/13 can be ascribed to delays in finalising SLAs and SCM processes for various projects, such as fresh produce mentorship, mentorship of cleaning and sewing co-operatives, Operation *Vuselela*, and *uMyezane* Awards. The peak in 2013/14 is largely driven by funds reallocated in respect of the KZN Growth Fund Trust which were previously held by Ithala. These funds were reallocated to the KZN Growth Fund Trust, as the KZN Growth Fund Trust is now a stand-alone entity. On the other hand, Ithala Limited received once-off additional funding to assist Ithala with its capital adequacy ratio. Also added to this programme were funds reprioritised to cater for the Ndumo Regeneration programme. The further increase in the 2014/15 Adjusted Appropriation can be ascribed to funds reprioritised for the set-up costs of the SBDA, for transfer to ensure Ithala Limited maintains a certain minimum capital adequacy ratio percentage, as well as the Ithala turnaround strategy. This explains the decrease over the 2015/16 MTEF. The bulk of the budget in 2015/16 is to cater for transfers to entities such as the KZN Growth Fund Trust and Ithala.

The erratic trend from 2011/12 to 2013/14 against Programme 3: Trade and Sector Development was largely influenced by the capital requirements of DTPC, as well as the Industrial Strategy. The increase in 2013/14 relates to additional funding allocated to DTPC for infrastructure development. The further increase in 2014/15 was mainly due to additional carry-through funding allocated to TIK for the TAF and

marketing. The significant growth in 2015/16 relates to once-off additional funding to RBIDZ for infrastructure development relating to the entity's Master Plan. The 2015/16 MTEF allocations increase steadily, because of funds reprioritised for implementation of Industrial Economic Hubs in all districts.

Spending increased substantially in 2012/13 against Programme 4: Business Regulation and Governance, driven by the establishment of the KZNLA. The decline in 2013/14 is attributed to reprioritisation of projects undertaken, whereby projects such as SMS consumer education and the informal trade project were put on hold. These funds were moved to offset pressures in other programmes. The peak in the 2014/15 Main Appropriation relates to the carry-through allocation for the procurement of an IT system, as well as once-off additional funding to cater for KZNLA's operational costs. Over the 2015/16 MTEF, the entity receives additional funding from liquor licences revenue to provide for its operational costs, and the budget increases at an inflationary rate over the three years.

The spending trend from 2011/12 to 2013/14 against Programme 5: Economic Planning was influenced by a five-year review plan of research projects, such as the socio-economic impact of DTPC and inner-city regeneration projects, the development of an industrial development strategy, among others. Also contributing was the purchase of the General Algebraic Modelling System (GAMS) for policy analysis in 2012/13. The trend declined substantially in the 2014/15 Adjusted Appropriation due to the reprioritisation of projects, such as the Renewable Energy Transaction Advisor project, as well as financial controls on items such as travel and subsistence, and these savings were moved to address spending pressures in other programmes, explaining the increase in 2015/16. The budget increases steadily over the 2015/16 MTEF to cater for projects such as the Impact project aimed at evaluating all the department's interventions in order to determine the impact made by the department and its public entities. This is in line with the Department of Performance Monitoring and Evaluation evaluation framework. Also contributing is the technical assistance fund for renewable energy project, as well as Integrated Statistical Database which is the centralised database used to collect, process, maintain and report on economic and other social data.

Spending increased significantly in 2012/13 against Programme 6 due to various events funded from the Strategic Cabinet Initiatives Fund, including the Volvo European Golf Championship, the Metro FM Awards, among others. The further increase in 2013/14 is attributed to the once-off additional funding transferred to the KZNSB for land purchase relating to the construction of new offices in Durban, as well as for events funded from the Strategic Cabinet Initiatives Fund, namely the SA Women's Golf Championship, the Nelson Mandela Golf Tournament, among others. Also contributing was reprioritisation of funds undertaken to fund events such as the MTV Awards, the uMphithi Spring Music Festival, the Umlazi Festival and Expo, Urban Music Tour and the SMME Conference. The significant increase in the 2014/15 Adjusted Appropriation can be largely ascribed to the Strategic Cabinet Initiatives Fund allocated to this programme for events such as World Pro-am Golfers Tournament, World Amateur Golf Tournament and the Metro FM Awards. This programme shows declining growth over the 2015/16 MTEF driven by the reprioritisation undertaken to cater for once-off funding required for tourism-related events such as the World Routes 2015 and MTV Awards anticipated to be held in 2015/16. The Strategic Cabinet Initiatives Fund falls away from 2015/16 onward, due to fiscal consolidation. This accounts for the reduction in the two outer years.

Programme 7: Environmental Affairs is made up of Environmental Affairs and transfers to EKZNW. There is an increasing trend partly due to the funding allocated for IASP, which is continued in the baseline. The high expenditure for 2012/13 relates to the once-off additional expenditure for expanding the department's EPWP job creation initiative. The increase in 2013/14 relates to the additional allocation for the Rhino Security Intervention plan under EKZNW. The increase in 2014/15 was driven by the EPWP Integrated Grant for Provinces relating to Environmental Affairs, where the department received a lower amount as a result of an error in allocation made by the National Department of Public Works (NDOPW) in 2013/14, and this was rectified in 2014/15. This explains the decrease in 2015/16. There is steady growth over the 2015/16 MTEF.

The spending trend against *Compensation of employees* increases steadily from 2011/12 to 2013/14. In 2014/15, the department budgeted to fill vacant posts but, due to the difficulty in finding suitable candidates, posts were not filled as planned, accounting for the reduction in the 2014/15 Adjusted Appropriation and Revised Estimate. These funds were moved to other categories to defray spending

pressures. The significant increase in 2015/16 relates to the planned filling of critical posts. The allocation over the two outer years grows at a steady rate, as the department anticipates filling critical posts from 2016/17 onward.

The increase in spending against *Goods and services* in 2012/13 can be ascribed to funds rolled over in respect of events such as the Top Gear Festival, TAFI and the KZN Convention Bureau Bid Fund. Also, once-off additional funding was allocated from the Strategic Cabinet Initiatives Fund for the hosting of events such as the Manchester United Tour and the Women's Golf Championship. This explains the decrease in 2013/14. The budget in 2015/16 includes funding for tourism-related events such as the World Routes 2015. The allocation against this category increases at a steady rate over the 2015/16 MTEF, to provide for the implementation of the Industrial Economic Hubs and aerotropolis projects.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licensing costs, transfers to municipalities for the development of trading centres, rehabilitation and revitalisation of beaches, as well as for the Greenest Municipality Competition run by Environmental Affairs. The significant increase in 2012/13 is attributed to expenditure on the Inyoni craft centre and Ndundulu trading centre in the Mthonjaneni and Mandeni Municipalities, respectively. Also contributing was the Richards Bay breakfast event to showcase business opportunities in the Richards Bay area, and to the Sakhisizwe Management Agency for the Ingoma Music Festival. These were held in the uMhlathuze and Umkhanyakude District Municipalities, respectively. The sharp increase in 2013/14 was driven by once-off spending in respect of rehabilitating beach structures which were damaged by storms in the uMhlathuze and Hibiscus Coast Municipalities, as well as for finalisation of joint project funding in the Mandeni Municipality. The peak in the 2014/15 Adjusted Appropriation was due to the reclassification of projects such as the SMME Fair and Exhibition, Drakensberg cable car consultations and the Tourism Route Strategy which were incorrectly allocated under *Goods and services* instead of this category, accounting for the decrease in 2015/16. The 2015/16 allocation caters for the revitalisation of beaches in the KwaDukuza Municipality, as well as the Dundee July rural horse racing event in the Umzinyathi District Municipality. The Greenest Municipality Competition, which remains constant at R1 million, and motor vehicle licensing are catered for over the 2015/16 MTEF.

The spending against *Transfers and subsidies to: Departmental agencies and accounts* relates to the public entities, such as TIK, KZNSB, TKZN, KZNLA, DTPC and EKZNW. The increase in 2012/13 relates to KZNLA establishment costs and EKZNW for the Rhino Security Intervention plan and for the higher than anticipated 2012 wage agreement. The increase in 2013/14 can be ascribed to a shift from *Goods and services* to cater for various projects and events that were hosted by TKZN and TIK. Also, a once-off additional transfer was made to KZNSB for land purchase to construct new offices in Durban. In 2013/14, EKZNW received additional funding for the Rhino Security Intervention plan. The allocation increases substantially in 2014/15 due to the additional allocation to TIK for TAF and marketing, as well as funding to KZNSB for MISOE operational costs. In addition, KZNLA receives carry-through funding for the procurement of an IT system and substantial once-off funding for its operational costs. Also contributing was the unspent uncommitted portion of EKZNW's road maintenance budget which was suspended from 2013/14. The decrease in the 2014/15 Adjusted Appropriation is attributed to a reduction in the transfer to DTPC due to the entity's healthy positive cash balance. These funds were utilised to offset pressures in other entities, such as the KZN Film Commission. Over the MTEF, KZNLA receives an increased transfer for operational costs allocated from liquor licences revenue. The allocation over the 2015/16 MTEF increases at a steady rate.

The allocation of R250 000 in the 2014/15 Adjusted Appropriation against *Transfers and subsidies to: Higher education institutions* relates to the Manufacturing Survey done by UKZN to analyse the rate of survival within the sector, as well as challenges that manufacturing firms are facing.

Transfers and subsidies to: Public corporations and private enterprises consists of transfers to the Enterprise Development Fund, Ithala, RBIDZ and various other entities. The decrease in 2012/13 was due to the reduced allocation to the Growth Fund, which was moved to *Goods and services* to fund the KZN Convention Bureau Bid Fund and TAFI, as well as to TKZN for the Tourism *Indaba* and to KZNSB for MISOE. The increase in 2013/14 relates to once-off funding added for the Ithala capital adequacy ratio, accounting for the decrease in the 2014/15 Main Appropriation. The increase in the 2014/15 Adjusted

Appropriation can be associated with once-off funding to Ithala to maintain a certain minimum capital adequacy ratio percentage and for the construction of the Ndumo retail centre, petrol filling station, taxi rank and informal stalls, as well as for the Ithala turnaround strategy. The 2015/16 allocation includes once-off funding for infrastructure development relating to RBIDZ's Master Plan, accounting for the decrease in 2016/17. The budget for the entities mentioned above grows steadily over the two outer years.

Transfers and subsidies to: Non-profit institutions relates to funding for the KZN Growth Fund Trust, KZN Film Commission, MKI and a number of transfers to NGOs. In 2012/13, there were once-off additional transfers to cater for various private enterprises that hosted events and were responsible for implementing certain projects, as the department entered into partnership funding with them. The peak in 2013/14 is attributed to the KZN Growth Fund Trust which was reclassified against this category, since the entity is in the process of being registered as a separate entity. It is noted that prior years are not adjusted, since transfers were made *via* Ithala. Also contributing to this increase was a reallocation to the KZN Growth Fund Trust of all unspent and committed funds relating to prior years that were previously held by Ithala. This explains the decrease in 2014/15. The further decrease in the 2014/15 Adjusted Appropriation largely relates to the reduction of the KZN Growth Fund Trust allocation due to the entity's healthy positive cash balance. The allocation over the 2015/16 MTEF increases at a steady rate. Furthermore, the MTEF allocations cater for the SBDA, which is expected to be fully operational in 2016/17.

Transfers and subsidies to: Households relates to staff exit costs and external bursaries. This category shows erratic growth from 2011/12 to 2014/15. The high spending in 2011/12 relates to external bursaries managed by the OTP. This explains the decrease in 2012/13. The increase from 2013/14 to 2014/15 relates to external bursaries to students at UKZN who are studying toward their Post-graduate Diplomas and Masters in LED, and for the Co-operative Management Diploma at UNIZULU. The decrease in the 2014/15 Adjusted Appropriation is attributed to a reduction of funds allocated for bursaries for students studying toward the Co-operative Management Diploma at UNIZULU, as some students dropped out. The 2015/16 MTEF allocations only cater for students who intend studying the Co-operative Management Diploma at UNIZULU, and growth increases at an inflationary rate.

Buildings and other fixed structures reflects an amount of 28 000 in the 2014/15 Revised Estimate which is attributed to the security guard houses procured for the Dundee and Vryheid district offices.

Machinery and equipment fluctuates over the period, largely due to the department's actual requirements. The sharp increase in 2012/13 can be ascribed to the increase in the department's vehicle fleet, particularly for Environmental Affairs, accounting for the decrease in 2013/14. The peak in the 2014/15 Adjusted Appropriation relates to reprioritisation from other categories to provide for the upgrading of the department's servers, expected to be finalised in 2015/16, accounting for the decrease in 2016/17. There is a steady increase over the two outer years.

The high spending against *Software and other intangible assets* in 2011/12 relates to the upgrading of various software licences. Spending in 2012/13 is largely attributed to the purchase of GAMS for policy analysis. The spending in 2013/14 includes funding of Sabinet software subscriptions relating to the department's library information database and new server software and workstation software licences procured. The substantial reduction in the 2014/15 Adjusted Appropriation was driven by delays in acquiring knowledge management software. Provision is made in 2015/16 only against this category and no allocation for the two outer years, at this stage.

Payments for financial assets reflect various losses which were written-off in 2011/12 and 2012/13. The amount in 2015/16 is in respect of the first charge, as previously explained.

5.4 Summary of conditional grant payments and estimates

Table 4.6 below relates to the summary of conditional grants payments, by grant name and economic classification. Further details are provided in the *Annexure – Vote 4: Economic Development, Tourism and Environmental Affairs*. Note that the historical figures set out in Table 4.6 below reflect actual expenditure per grant, and should not be compared to the figures reflected in Table 4.1 which represent the actual receipts for the grant.

Table 4.6 : Summary of conditional grants payments and estimates by name

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------------|-----------------|---------------|------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| EPWP Integrated Grant for Provinces | 8 316 | 10 708 | 550 | 16 827 | 16 827 | 16 827 | 8 162 | - | - |
| Total | 8 316 | 10 708 | 550 | 16 827 | 16 827 | 16 827 | 8 162 | - | - |

The EPWP Integrated Grant for Provinces funding is allocated against *Goods and services*. The bulk of this grant is used by Environmental Affairs for IASP. The increase from 2013/14 to 2014/15 relates to funding for Environmental Affairs which was inadvertently allocated R550 000 in 2013/14, by NDOPW and this was rectified, thus an amount of R14.827 million was allocated in 2014/15. The balance of R2 million was allocated to the former DEDT for their weed eradication programme. The department receives R8.162 million for this grant in 2015/16, with no allocation for the two outer years, at this stage. The department has set a target of 10 121 work opportunities and 4 440 Full Time Equivalents for 2015/16.

5.5 Summary of infrastructure payments and estimates

Table 4.7 below summarises the infrastructure payments and estimates by category for the department. A more detailed listing of infrastructure projects to be undertaken by the department can be found in *Annexure – Vote 4: Economic Development, Tourism and Environmental Affairs*.

Table 4.7 : Summary of infrastructure payments and estimates by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Existing infrastructure assets | - | - | - | - | - | - | - | - | - |
| Maintenance and repair: Current | - | - | - | - | - | - | - | - | - |
| Upgrades and additions: Capital | - | - | - | - | - | - | - | - | - |
| Refurbishment and rehabilitation: Capital | - | - | - | - | - | - | - | - | - |
| New infrastructure assets: Capital | - | - | - | - | - | 28 | - | - | - |
| Infrastructure transfers | 470 529 | 415 613 | 559 655 | 655 747 | 540 747 | 540 747 | 660 015 | 652 876 | 685 519 |
| Infrastructure transfers: Current | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Capital | 470 529 | 415 613 | 559 655 | 655 747 | 540 747 | 540 747 | 660 015 | 652 876 | 685 519 |
| Infrastructure: Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure: Leases | - | - | - | - | - | - | - | - | - |
| Total | 470 529 | 415 613 | 559 655 | 655 747 | 540 747 | 540 775 | 660 015 | 652 876 | 685 519 |
| Capital infrastructure | 470 529 | 415 613 | 559 655 | 655 747 | 540 747 | 540 775 | 660 015 | 652 876 | 685 519 |
| Current infrastructure | - | - | - | - | - | - | - | - | - |

The department's infrastructure funding is allocated against *Infrastructure transfers* and relates to the capital development projects of the DTPC and RBIDZ. The once-off amount against *New infrastructure assets: Capital* in the Revised Estimate relates to the purchase of security guard houses for the Dundee and Vryheid district offices.

The decrease in 2012/13 relates to decreasing funding requirements of DTPC for the completion of the airport portion of the project and the development of the multi-nodal logistics hub at the airport site. In 2013/14, there was a reduction in the RBIDZ allocation due to the entity's healthy positive cash position. The decrease in the 2014/15 Adjusted Appropriation was driven by a reduction in the DTPC allocation, due to the entity's healthy positive cash balance. This reduction is carried through over the 2015/16 MTEF. The high growth in 2015/16 is ascribed to once-off additional funding of R40 million allocated to RBIDZ for infrastructure projects. This explains the decrease in 2016/17. Allocations over the 2015/16 MTEF cater for both DTPC and RBIDZ capital projects in line with their Master Plans.

5.6 Summary of Public Private Partnerships – Nil

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

Table 4.8 provides a summary of departmental transfers to the public entities that fall under the auspices of the department. Financial summaries in respect of the various public entities are presented in the *Annexure – Vote 4: Economic Development, Tourism and Environmental Affairs*.

Table 4.8 : Summary of departmental transfers to public entities

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Dube TradePort Corporation | 448 334 | 392 308 | 575 402 | 630 375 | 515 375 | 515 375 | 593 609 | 625 071 | 656 325 |
| Ezemvelo KwaZulu-Natal Wildlife | 492 287 | 549 893 | 588 522 | 662 395 | 660 395 | 660 395 | 651 319 | 686 325 | 720 416 |
| Bhambatha lodge, Ingodini Border Caves | 970 | - | - | 4 500 | 2 500 | 2 500 | 4 500 | 4 500 | 4 500 |
| Subsidy from Vote 4 | 491 317 | 549 893 | 588 522 | 657 895 | 657 895 | 657 895 | 646 819 | 681 825 | 715 916 |
| Ithala Development Finance Corporation | 280 000 | 249 500 | 300 000 | 185 000 | 279 600 | 279 600 | 149 700 | 148 000 | 148 000 |
| Enterprise Development Fund | 180 000 | 189 500 | 185 000 | 148 000 | 148 000 | 148 000 | 148 000 | 148 000 | 148 000 |
| Ithala Share Capital and Turnaround strategy | - | - | 105 000 | - | 105 000 | 105 000 | - | - | - |
| Ndumo Regeneration Programme | - | - | 10 000 | - | 25 800 | 25 800 | - | - | - |
| Drakensberg Cable Car - EIA | - | - | - | - | 800 | 800 | 1 700 | - | - |
| Growth Fund | 100 000 | 60 000 | - | - | - | - | - | - | - |
| Small Business Development Agency | - | - | - | 37 000 | - | - | - | - | - |
| KwaZulu-Natal Liquor Authority | - | 55 699 | 43 920 | 77 282 | 77 282 | 77 282 | 67 008 | 70 166 | 72 403 |
| KwaZulu-Natal Tourism Authority | 89 381 | 118 292 | 99 983 | 103 628 | 109 297 | 109 297 | 101 512 | 106 203 | 111 813 |
| KwaZulu-Natal Sharks Board | 41 334 | 55 371 | 59 985 | 56 109 | 57 109 | 57 109 | 56 678 | 59 364 | 56 032 |
| Richards Bay Industrial Development Zone | 59 636 | 62 618 | 25 164 | 68 170 | 68 170 | 68 170 | 110 947 | 74 707 | 78 442 |
| Trade and Investment KwaZulu-Natal | 61 536 | 65 053 | 75 084 | 77 342 | 81 476 | 81 476 | 80 207 | 84 087 | 81 697 |
| Total | 1 472 508 | 1 548 734 | 1 768 060 | 1 860 301 | 1 848 704 | 1 848 704 | 1 810 980 | 1 853 923 | 1 925 128 |

DTPC

The high transfer in 2011/12 relates to the development of the multi-nodal logistics hub at the airport site. In 2012/13, transfers to this entity were reduced by R40 million to fund other areas of critical need within the department, such as the MTV Awards and the Project Tour Mentor Partnerships, Integrated Craft Hubs, etc, accounting for the substantial increase in 2013/14. The further decline in the 2014/15 Adjusted Appropriation is due to reprioritisation undertaken by reducing transfers to DTPC due to the entity's positive cash balance. The reprioritisation is carried through over the MTEF. There is positive growth over the MTEF, and this largely provides for capital developments in line with the DTPC Master Plan.

EKZNW

The transfers to EKZNW are largely to subsidise the entity's efforts in respect of nature conservation. The transfers show a steady increase over the seven years. The transfer in 2011/12 includes additional funding for the improved conditions of employment negotiated with organised labour, as well as a once-off R17.850 million to enable the entity to reduce its high leave liability. The 2012/13 year includes specific funding for protected area expansion and road maintenance (increasing substantially from 2013/14 onward) and the Rhino Security Intervention plan. The increase in 2014/15 was due to the suspension of the unspent and uncommitted road maintenance budget relating to 2013/14. In 2014/15, the entity received once-off funding relating to suspension of parts of the road maintenance funds, explaining the decrease in 2015/16. However, the allocation of R4.500 million from 2014/15 to 2017/18 provides for the continuation of projects such as the Ntsikeni and May Lodge in the Ntsikeni Reserve (R2.500 million), as well as the development of Bhambatha Lodge (R2 million). The decrease in the 2014/15 Adjusted Appropriation relates to a reduction of R2 million for the Bhambatha Lodge, due to delays in the implementation of projects. These funds were moved to offset spending pressures relating to the Youth Economic Development Expo (R1 million) and Mgqumeni Maskanda Festival (R1 million). The transfers show inflationary growth over the MTEF. The budget caters for operational costs, infrastructure maintenance for EKZNW, and for Ntsikeni and May Lodge, as well as the development of Bhambatha Lodge.

Ithala

The department transfers funds to Ithala on a project-specific funding basis and Ithala then oversees the financing and control of the projects, as well as the recovery of the loans. The allocation from 2011/12 to 2012/13 included Enterprise Development and Growth Funds. The latter became a stand-alone entity from 2013/14 onward, and the transfers from 2013/14 are excluded from this table, as the KZN Growth Fund Trust is still in the process of being registered as a public entity. The Enterprise Development Fund was introduced in 2011/12, combining the funding streams of the former Co-operatives and SMMEs funds. The decline in 2012/13 was due to savings in the Growth Fund which were moved to *Goods and services* to cater for the KZN Convention Bureau Bid Fund and TAFI, to TKZN to fund the Tourism *Indaba* and to the KZNSB for MISOE.

In 2013/14 and the 2014/15 Adjusted Appropriation, Ithala received substantial once-off funding in respect of Ithala share capital, to assist it with its capital adequacy ratio, as well as for the Ndumo Regeneration

programme, whereby the entity is commissioned to champion this integrated multi-purpose and multi-sectoral project to revitalise the Ndumo area. In the 2014/15 Main Appropriation, an amount of R37 million for SBDA was allocated under Ithala, but these funds were moved to *Goods and services*, since the department is responsible for paying establishment costs for this entity, which will be a stand-alone entity from 2016/17. Hence, there are no allocations from the 2014/15 Adjusted Appropriation onward.

In 2015/16, the allocation includes once-off funding for conducting the EIA in respect of the Drakensberg cable car. This assessment will be administered by Ithala, hence the funding is allocated under this entity. The allocations over the 2015/16 MTEF provide for the Enterprise Development Fund (SMME and co-operatives). This allocation remains constant over the MTEF.

KZNLA

KZNLA was established in 2012/13 to administer the collection of liquor licence fees, as well as the issuing of liquor licences. The high expenditure in 2012/13 can be ascribed to the once-off additional funding provided for the entity's establishment costs. Hence, the entity reflects a decrease in 2013/14. The increase in 2014/15 relates to once-off additional funding for the entity's operational costs, and carry-through funding from 2014/15 to 2016/17 was added for the procurement of an IT system, which explains the decrease from 2015/16. There is inflationary growth over the 2015/16 MTEF, to cater for the entity's operational costs, with the increase based on the liquor licences revenue likely to be received.

TKZN

The transfer to TKZN in 2011/12 was to provide for, among others, the promotion of the East 3 Route, which is a promotion of northern KZN, Mozambique and Swaziland, and for the UCI/BMX events. The 2012/13 amount includes additional funds for the Tourism *Indaba*, East 3 Route and KZN is Summer campaign, which is a marketing strategy to increase tourism in KZN. Additional funding was also received for the entity's SAP and VIP pay-roll system. This explains the decrease in 2013/14. The further increase in the 2014/15 Adjusted Appropriation relates to costs incurred through the participation in the 2014 Carnival International De Victoria at the Seychelles, promotion and marketing the East 3 Route and organising the KZN is Summer campaign. Over the MTEF, the transfer is reduced by R18 million for the East 3 Route, as the department will be implementing this project, accounting for the decrease from 2015/16.

KZNSB

The transfer to KZNSB reflects an increasing trend from 2011/12 to 2013/14 due to once-off additional funding for critical roof repairs at the entity's headquarters and the purchase and installation of a biometric access control system. In addition, the entity received funding to investigate more environmentally friendly shark repellent technology and to fill critical vacancies in its SCM unit. In 2012/13, funding was provided to the KZNSB largely for once-off capital requirements, which included the replacement of boats, outboard motors and vehicles, Caseware (software solutions for accounting, auditing, financial, risk and governance) licence fees and legal fees. The entity also received once-off funding to fund activities of MISOE, including learning material, accreditation of courses, conversion of workshops to classrooms, etc. The significant increase in 2013/14 relates to a once-off allocation for land acquisition and erection of new offices, since the current premises are not suitable for expansion, explaining the decrease in 2014/15. The increase in the 2014/15 Adjusted Appropriation is attributed to once-off additional funding for hosting the Sharks International Conference in June 2014, to promote the organisation as an internationally acclaimed centre for shark research. Despite a reduction in 2017/18 ascribed to additional funding for MISOE which falls away in that year, this entity reflects steady growth over the 2015/16 MTEF.

RBIDZ

The substantial decrease in 2013/14 is due to a reduction in allocation due to the entity's positive cash balance. These funds were reprioritised to projects such as the Co-operatives Incubator programme and the Ndumo Regeneration programme. The significant growth in 2015/16 is due to once-off additional transfers for infrastructure relating to the entity's Master Plan, explaining the significant decrease in 2016/17.

TIK

The allocation to TIK grows steadily from 2011/12 to 2012/13. The increase in 2013/14 relates to once-off additional funding for Makhaya Arts and Culture Development, and for investment seminars, assigned to be

conducted by the entity. The entity received an allocation from 2014/15 to 2016/17 to cater for the TAF and marketing, hence the decrease in 2017/18, as these funds are not carried through beyond 2016/17.

5.8 Transfers to other entities

Table 4.9 below gives a summary of departmental transfers to other entities, details of which (particularly relating to the MTEF allocations) are given hereunder.

Table 4.9 : Summary of departmental transfers to other entities

| R thousand | Sub-programme | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------------------|-----------------|---------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| "Stop Killing the Rhino" campaign donation | 1.1 Office of the MEC | - | - | - | - | 96 | 96 | - | - | - |
| Destiny House (NGO), SAPS widows donations | 1.1 Office of the MEC | - | - | - | - | 129 | 129 | - | - | - |
| Sponsorship of choir uniforms | 1.2 Office of the HOD | 24 | - | - | - | - | - | - | - | - |
| Co-operative funding | 2.1 Enterprise Development | - | - | 10 248 | - | 2 203 | 2 203 | - | - | - |
| Enterprise Ilembe | 2.1 Enterprise Development | - | - | 400 | - | - | - | - | - | - |
| Ilembe Chamber of Business | 2.1 Enterprise Development | - | 504 | - | - | - | - | - | - | - |
| KZN Growth Fund Trust | 2.1 Enterprise Development | - | - | 620 102 | 95 000 | 55 000 | 55 000 | 95 000 | 95 000 | 95 000 |
| SEDA eThekweni | 2.1 Enterprise Development | - | - | 3 000 | - | - | - | - | - | - |
| SBDA | 2.1 Enterprise Development | - | - | - | - | - | - | - | 37 000 | 37 000 |
| Operation Vuselela | 2.2 Regional and LED | - | - | 4 862 | - | - | - | - | - | - |
| Tonga Hulett Sugar project | 2.2 Regional and LED | - | - | 3 317 | - | - | - | - | - | - |
| Enterprise training and Future Leaders | 2.3 Economic Empowerment | - | - | - | - | 7 500 | 7 500 | - | - | - |
| KZN Youth and Women Co-op Bus. <i>Indaba</i> | 2.3 Economic Empowerment | - | - | 1 500 | - | - | - | - | - | - |
| Women In Tourism | 2.3 Economic Empowerment | - | - | 500 | - | - | - | - | - | - |
| Durban Film Festival | 3.2 Sector Development | 1 500 | - | 1 500 | - | - | - | - | - | - |
| KZN Fashion Council | 3.2 Sector Development | - | - | - | - | 3 000 | 3 000 | - | - | - |
| KZN Film Commission | 3.2 Sector Development | - | - | 6 030 | 22 909 | 57 201 | 57 201 | 60 180 | 72 642 | 76 274 |
| KZN Music Cluster | 3.2 Sector Development | - | - | - | - | 1 500 | 1 500 | - | - | - |
| KZN Tooling, KZN Craft Hub, Tele-Festival and Clothing Textile | 3.2 Sector Development | - | - | - | - | 700 | 700 | 3 300 | - | - |
| Maritime Cluster/Institute | 3.2 Sector Development | - | - | - | - | 2 000 | 2 000 | 6 000 | - | - |
| Maritime Strategy | 3.2 Sector Development | - | - | 2 000 | - | - | - | - | - | - |
| Moses Kotane Institute | 3.2 Sector Development | 39 512 | 33 000 | 36 300 | 38 478 | 38 478 | 38 478 | 40 248 | 42 381 | 44 500 |
| Ugu ICT incubator | 3.2 Sector Development | - | - | 3 000 | - | 3 500 | 3 500 | 3 000 | - | - |
| Manufacturing Survey | 5.2 Research and Dev | - | - | - | - | 250 | 250 | - | - | - |
| Amantshotsho Ka Maskandi Awards | 6.3 Tourism and Growth Dev | - | - | 2 000 | - | - | - | - | - | - |
| Annual Maritzburg Corporate Challenge | 6.3 Tourism and Growth Dev | - | 500 | - | - | - | - | - | - | - |
| Armcor Dam, Youth hip-hop and Umlazi Festival | 6.3 Tourism and Growth Dev | - | - | 2 100 | - | 2 400 | 2 400 | - | - | - |
| Metro FM Awards | 6.3 Tourism and Growth Dev | - | - | - | - | 10 527 | 10 527 | - | - | - |
| Africa Bike Week | 6.3 Tourism and Growth Dev | - | - | - | - | 6 000 | 6 000 | - | - | - |
| Nelson Mandela Golf tournament | 6.3 Tourism and Growth Dev | - | - | - | - | 5 000 | 5 000 | - | - | - |
| SA India Film Awards | 6.3 Tourism and Growth Dev | - | - | - | - | 12 000 | 12 000 | - | - | - |
| SA Women's Golf Championship | 6.3 Tourism and Growth Dev | - | - | - | - | 9 120 | 9 120 | - | - | - |
| Loliwe KZN Tourism Train | 6.3 Tourism and Growth Dev | - | - | - | - | 9 000 | 9 000 | - | - | - |
| Upward Thinking Women Conference | 6.3 Tourism and Growth Dev | - | - | - | - | 2 000 | 2 000 | - | - | - |
| World Amateur Golf Tournament | 6.3 Tourism and Growth Dev | - | - | - | - | 9 070 | 9 070 | - | - | - |
| World Pro-am Golfers Tournament | 6.3 Tourism and Growth Dev | - | - | - | - | 9 070 | 9 070 | - | - | - |
| European Volvo Golf Tournament | 6.3 Tourism and Growth Dev | - | - | - | - | 10 500 | 10 500 | - | - | - |
| Bundu Mix | 6.3 Tourism and Growth Dev | - | 900 | - | - | - | - | - | - | - |
| Cycling SA | 6.3 Tourism and Growth Dev | - | - | - | 9 081 | - | - | - | - | - |
| Durban Beach Festival | 6.3 Tourism and Growth Dev | - | 1 500 | 1 000 | - | - | - | - | - | - |
| Durban underground | 6.3 Tourism and Growth Dev | - | - | 700 | - | - | - | - | - | - |
| Edu-Sport | 6.3 Tourism and Growth Dev | - | - | 9 100 | - | - | - | - | - | - |
| Fact Durban Rocks | 6.3 Tourism and Growth Dev | - | 1 600 | 1 000 | - | - | - | - | - | - |
| iBeach Experience | 6.3 Tourism and Growth Dev | - | - | 1 500 | - | - | - | - | - | - |
| Kasi Tours | 6.3 Tourism and Growth Dev | - | - | 700 | - | - | - | - | - | - |
| King Shaka Fashion Festival | 6.3 Tourism and Growth Dev | - | 5 400 | - | - | - | - | - | - | - |
| Mhlacu Festival | 6.3 Tourism and Growth Dev | - | 1 500 | - | - | - | - | - | - | - |
| Midmar Music Festival | 6.3 Tourism and Growth Dev | - | 1 500 | - | - | - | - | - | - | - |
| MTV Awards | 6.3 Tourism and Growth Dev | - | - | 14 082 | - | 26 000 | 26 000 | - | - | - |
| Richards Bay <i>Imbizo</i> | 6.3 Tourism and Growth Dev | - | - | 2 000 | - | - | - | - | - | - |
| SMME Conference | 6.3 Tourism and Growth Dev | - | - | 2 000 | - | - | - | - | - | - |
| Take Me Out Production | 6.3 Tourism and Growth Dev | - | - | 5 000 | - | 12 500 | 12 500 | - | - | - |
| Tourism Enterprise partnership | 6.3 Tourism and Growth Dev | - | - | - | 1 000 | 1 000 | 1 000 | 1 000 | 1 200 | 1 200 |
| Township to township marathon | 6.3 Tourism and Growth Dev | - | - | 1 000 | - | - | - | - | - | - |
| Umgababa New Year's Picnic | 6.3 Tourism and Growth Dev | - | 1 500 | 1 000 | - | - | - | - | - | - |
| uMphithi Spring Music Festival | 6.3 Tourism and Growth Dev | - | - | 1 963 | - | - | - | - | - | - |
| Umthayi Marula Festival | 6.3 Tourism and Growth Dev | - | 5 500 | - | - | - | - | - | - | - |
| Urban Music Tour | 6.3 Tourism and Growth Dev | - | - | 2 700 | - | - | - | - | - | - |
| X Factor Production | 6.3 Tourism and Growth Dev | - | - | 5 000 | - | 10 000 | 10 000 | - | - | - |
| Youth Development in Motion | 6.3 Tourism and Growth Dev | - | 91 | - | - | - | - | - | - | - |
| WESSA | 7.1 Enviro. Policy Planning | 400 | 400 | - | 400 | 400 | 400 | 400 | 421 | 442 |
| SAAMBR | 7.5 Enviro. Empower | 3 990 | 4 600 | 5 227 | 5 540 | 5 540 | 5 540 | 5 795 | 6 102 | 6 407 |
| Total | | 45 426 | 58 495 | 750 831 | 172 408 | 311 684 | 311 684 | 214 923 | 254 746 | 260 823 |

The KZN Growth Fund Trust was established to lend funds to commercially viable projects. In 2013/14, the Growth Fund was restructured, and the KZN Growth Fund Trust was established. Prior to the KZN Growth Fund Trust, the funding was routed *via* Ithala. The KZN Growth Fund Trust's unspent funding relating to previous years and the 2013/14 allocation were moved from Ithala, since the KZN Growth Fund Trust is in the process of being registered as a separate entity. In the 2014/15 Adjusted Appropriation, a net amount of R40 million was reduced from the entity's transfer due to its healthy positive cash balance. These funds were used to fund the SBDA establishment costs, the Growth Fund restructuring feasibility study, an independent Ithala repositioning analysis report, as well as a study into the rationalisation of the department's public entities. The transfer to this entity remains constant over the MTEF.

The KZN Film Commission's purpose is to promote the film industry in KZN and is in the process of being listed as a public entity. This entity was established in 2013/14, hence the spending in this year was for set-up costs. The spike in the 2014/15 Adjusted Appropriation can be ascribed to funding allocated to assist the KZN Film Commission with its operational costs and to cover the shortfall for the purchase of computer servers. The reprioritisation was carried through over the 2015/16 MTEF to provide for operational costs. The allocations over the 2015/16 MTEF include funding for the Durban Film Festival and Simon Mabhunu Sabela Film Awards that will be hosted by this entity. Hence, there is no allocation against the Durban Film Festival from 2014/15 onward. The allocations in the outer years increase in order to set-up a Film Fund which will co-fund production feature films. This increase in funding is also linked to the increase in the number of productions and associated markets and distribution channels.

The MKI's purpose is to contribute to people-centred economic development. The transfer to the MKI in 2011/12 relates to the establishment of computer laboratories in four additional districts, which explains the lower allocation from 2012/13 onward. The 2015/16 MTEF allocation increases at an inflationary rate.

The SBDA's purpose is to support, sustain and provide both non-financial and financial support (micro-finance services) to small enterprises. It is anticipated that the SBDA will be fully established in 2016/17 and will be a stand-alone entity, thus funds for this entity will no longer be transferred *via* Ithala. The funding in respect of this entity is allocated under *Goods and services* from the 2014/15 Adjusted Appropriation and in 2015/16, since the department will be responsible for paying costs relating to its establishment until the entity is fully operational from 2016/17 onward, and the funding remains constant over the two outer years.

The transfer to WESSA provides for environmental education programmes. This entity shows steady growth over the 2015/16 MTEF.

The budget relating to the transfer payments to the South African Association for Marine Biological Research (SAAMBR) provides for an annual inflationary linked grant-in-aid. This grant-in-aid is transferred to the entity for marine biological research. There is inflationary growth over the MTEF.

Transfers to various entities were made relating to partnership funding and for major events, as reflected in Table 4.9. The increase in 2013/14 and in the 2014/15 Adjusted Appropriation included the transfers paid to various private enterprises, mainly for events hosted by these enterprises in partnership with the department. Over the 2015/16 MTEF, funding is allocated for the KZN Tooling, KZN Craft Hub, continuation of Ugu ICT incubator, and Tourism Enterprise partnership.

5.9 Transfers to local government

Tables 4.10 and 4.11 below indicate transfers to local government per category. Details of these transfers are given in *Annexure – Vote 4: Economic Development, Tourism and Environmental Affairs*.

It is also noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and hence these are excluded from the table below.

Table 4.10 : Summary of departmental transfers to local government by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------|-----------------|--------------|---------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Category A | - | - | - | - | 992 | 992 | - | - | - |
| Category B | 900 | 3 263 | 10 697 | - | 2 693 | 2 693 | 1 000 | - | - |
| Category C | - | 981 | 479 | 500 | 1 000 | 1 000 | 250 | - | - |
| Unallocated | - | - | - | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 |
| Total | 900 | 4 244 | 11 176 | 1 500 | 5 685 | 5 685 | 2 250 | 1 000 | 1 000 |

Table 4.11 : Summary of departmental transfers to local government by grant name

| R thousand | Sub-programme | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------|-----------------------------|-----------------|--------------|---------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Joint Project Funding | 2.2 Regional and LED | - | 2 953 | 2 414 | - | - | - | - | - | - |
| SMME Fair and Exhibition | 2.3 Economic Empowerment | - | - | - | - | 992 | 992 | - | - | - |
| Beaches Rehabilitation | 6.3 Tourism Growth and Dev. | - | - | 3 400 | - | 900 | 900 | 1 000 | - | - |
| Dundee July event | 6.3 Tourism Growth and Dev. | - | - | 479 | 500 | 500 | 500 | 250 | - | - |
| Sakhisizwe Manag. Agency | 6.3 Tourism Growth and Dev. | - | 981 | - | - | - | - | - | - | - |
| Richards Bay Breakfast | 6.3 Tourism Growth and Dev. | - | 310 | 100 | - | - | - | - | - | - |
| Drakensberg Cable Car | 6.3 Tourism Growth and Dev. | - | - | 4 183 | - | 1 793 | 1 793 | - | - | - |
| Tourism Route Strategy | 6.3 Tourism Growth and Dev. | - | - | - | - | 500 | 500 | - | - | - |
| Greenest Munic. Comp | 7.3 Enviro Quality Mngmnt | 900 | - | 600 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 |
| Total | | 900 | 4 244 | 11 176 | 1 500 | 5 685 | 5 685 | 2 250 | 1 000 | 1 000 |

In the 2014/15 Adjusted Appropriation, Category A received funds for the SMME Fair and Exhibition that was hosted by the department in partnership with eThekweni Metro.

With regard to Category B:

- The Greenest Municipality Competition falls under Environmental Affairs, and transfers were made from 2011/12 to 2013/14 to municipalities that participated and won the competition. This competition is based on business plans submitted by municipalities. Accordingly, it is not possible to identify the recipient municipalities for ensuing years, and hence the allocation is classified against *Unallocated* in 2014/15 and over the 2015/16 MTEF.
- In 2012/13 and 2013/14, transfers relate to the construction of trading centres in Mandeni and Mthonjaneni Municipalities.
- In addition, there was spending on hosting the Richards Bay Breakfast event in the uMhlathuze Municipality under the uThungulu District Municipality.
- Also, in 2013/14 and 2014/15, transfers were made for the Drakensberg cable car consultations in respect of Okhahlamba Municipality.
- Funding was provided from 2013/14 to 2015/16 for the revitalisation of Alkantstrand Beach in the uMhlathuze Municipality, the revitalisation of Dokodweni Beach in the Mandeni Municipality, as well as the rehabilitation of South Port Beach in the Hibiscus Coast Municipality. The 2015/16 budget relates to the beaches in the KwaDukuza Municipality.

Regarding Category C:

- In 2012/13, a transfer was made for the Ingoma Music Festival held in the Umkhanyakude District Municipality.
- The amounts from 2013/14 to 2015/16 include the Dundee July rural horse racing event which is held in the Umzinyathi District Municipality.
- In the 2014/15 Adjusted Appropriation, provision was made for the Tourism Route Strategy in respect of the Harry Gwala District Municipality.

5.10 Transfers and subsidies

Table 4.12 below is a summary of spending on *Transfers and subsidies* by programme and main category.

Table 4.12 : Summary of transfers and subsidies by programme and main category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 499 | 795 | 44 | 20 | 1 351 | 1 353 | 531 | 556 | 584 |
| Provinces and municipalities | 14 | 21 | 33 | 20 | 20 | 20 | 31 | 33 | 35 |
| Motor vehicle licences | 14 | 21 | 33 | 20 | 20 | 20 | 31 | 33 | 35 |
| Departmental agencies and accounts | - | - | - | - | 546 | 547 | - | - | - |
| PSETA | - | - | - | - | 543 | 544 | - | - | - |
| SABC | - | - | - | - | 3 | 3 | - | - | - |
| Public corporations and private enterprises | - | - | - | - | 96 | 96 | - | - | - |
| Donations - "Stop Killing the Rhino" campaign | - | - | - | - | 96 | 96 | - | - | - |
| Non-profit institutions | 24 | - | - | - | 129 | 129 | - | - | - |
| Donations - Destiny House, DBN SAPS widows | - | - | - | - | 129 | 129 | - | - | - |
| Sponsorship of choir uniforms | 24 | - | - | - | - | - | - | - | - |
| Households | 461 | 774 | 11 | - | 560 | 561 | 500 | 523 | 549 |
| Social benefits | 461 | 153 | 11 | - | 88 | 89 | - | - | - |
| Bursaries | - | 621 | - | - | 472 | 472 | 500 | 523 | 549 |
| 2. Integrated Economic Development Services | 291 098 | 259 294 | 957 358 | 294 405 | 358 008 | 358 008 | 254 580 | 289 885 | 290 379 |
| Provinces and municipalities | - | 2 953 | 2 414 | - | 992 | 992 | - | - | - |
| Joint project funding | - | 2 953 | 2 414 | - | - | - | - | - | - |
| SMME Fair and Exhibition | - | - | - | - | 992 | 992 | - | - | - |
| Departmental agencies and accounts | 970 | - | - | - | - | - | - | - | - |
| EKZNW | 970 | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 280 000 | 249 500 | 323 426 | 185 000 | 289 303 | 289 303 | 149 700 | 148 000 | 148 000 |
| Enterprise Development Fund | 180 000 | 189 500 | 185 000 | 148 000 | 148 000 | 148 000 | 148 000 | 148 000 | 148 000 |
| Ithala and Drakensberg EIA | - | - | 105 000 | - | 105 800 | 105 800 | 1 700 | - | - |
| Ndumo Regeneration programme | - | - | 10 000 | - | 25 800 | 25 800 | - | - | - |
| SBDA | - | - | - | 37 000 | - | - | - | - | - |
| SEDA eThekweni | - | - | 3 000 | - | - | - | - | - | - |
| Growth Fund | 100 000 | 60 000 | - | - | - | - | - | - | - |
| Co-operative Funding | - | - | 10 248 | - | 2 203 | 2 203 | - | - | - |
| KZN Youth and Women Co-ops Bus. <i>Indaba</i> , etc | - | - | 2 000 | - | 7 500 | 7 500 | - | - | - |
| Tongaat Hullels Cane Trans, Operation Vuselela | - | - | 8 178 | - | - | - | - | - | - |
| Non-profit institutions | - | 531 | 620 102 | 95 000 | 55 000 | 55 000 | 95 000 | 132 000 | 132 000 |
| Ilembe Chamber of Commerce | - | 504 | - | - | - | - | - | - | - |
| SBDA | - | - | - | - | - | - | - | 37 000 | 37 000 |
| KZN Growth Fund Trust | - | - | 620 102 | 95 000 | 55 000 | 55 000 | 95 000 | 95 000 | 95 000 |
| Project Gateway - Donation | - | 27 | - | - | - | - | - | - | - |
| Households | 10 128 | 6 310 | 11 416 | 14 405 | 12 713 | 12 713 | 9 880 | 9 885 | 10 379 |
| Social benefits | 14 | 23 | 34 | - | - | - | - | - | - |
| Bursaries | 10 114 | 6 287 | 11 382 | 14 405 | 12 713 | 12 713 | 9 880 | 9 885 | 10 379 |
| 3. Trade and Sector Development | 610 518 | 553 073 | 724 515 | 837 274 | 771 400 | 771 400 | 897 491 | 898 888 | 937 238 |
| Departmental agencies and accounts | 509 870 | 457 361 | 650 486 | 707 717 | 596 851 | 596 851 | 673 816 | 709 158 | 738 022 |
| TIK | 61 536 | 65 053 | 75 084 | 77 342 | 81 476 | 81 476 | 80 207 | 84 087 | 81 697 |
| DTPC | 448 334 | 392 308 | 575 402 | 630 375 | 515 375 | 515 375 | 593 609 | 625 071 | 656 325 |
| Public corporations and private enterprises | 59 636 | 62 618 | 30 164 | 68 170 | 78 870 | 78 870 | 123 247 | 74 707 | 78 442 |
| RBIDZ | 59 636 | 62 618 | 25 164 | 68 170 | 68 170 | 68 170 | 110 947 | 74 707 | 78 442 |
| Maritime Cluster | - | - | 2 000 | - | 2 000 | 2 000 | 6 000 | - | - |
| KZN Fashion Council, KZN Clothing Textile Cluster | - | - | 3 000 | - | 3 700 | 3 700 | 3 300 | - | - |
| Ugu ICT Incubator, Music Cluster | - | - | - | - | 5 000 | 5 000 | 3 000 | - | - |
| Non-profit institutions | 41 012 | 33 000 | 43 830 | 61 387 | 95 679 | 95 679 | 100 428 | 115 023 | 120 774 |
| Durban Film Festival | 1 500 | - | 1 500 | - | - | - | - | - | - |
| KZN Film Commission | - | - | 6 030 | 22 909 | 57 201 | 57 201 | 60 180 | 72 642 | 76 274 |
| Moses Kotane Institute | 39 512 | 33 000 | 36 300 | 38 478 | 38 478 | 38 478 | 40 248 | 42 381 | 44 500 |
| Households | - | 94 | 35 | - | - | - | - | - | - |
| Social benefits | - | 94 | 35 | - | - | - | - | - | - |
| 4. Business Regulation and Governance | - | 55 724 | 43 932 | 77 282 | 77 282 | 77 282 | 67 008 | 70 166 | 72 403 |
| Departmental agencies and accounts | - | 55 699 | 43 920 | 77 282 | 77 282 | 77 282 | 67 008 | 70 166 | 72 403 |
| KZNLA | - | 55 699 | 43 920 | 77 282 | 77 282 | 77 282 | 67 008 | 70 166 | 72 403 |
| Households | - | 25 | 12 | - | - | - | - | - | - |
| Social benefits | - | 25 | 12 | - | - | - | - | - | - |
| 5. Economic Planning | 50 | 3 | - | - | 266 | 266 | - | - | - |
| Higher education institutions | - | - | - | - | 250 | 250 | - | - | - |
| Manufacturing Survey - UKZN | - | - | - | - | 250 | 250 | - | - | - |
| Households | 50 | 3 | - | - | 16 | 16 | - | - | - |
| Social benefits | 50 | 3 | - | - | 16 | 16 | - | - | - |
| 6. Tourism | 130 715 | 194 966 | 223 379 | 174 818 | 306 786 | 306 786 | 164 940 | 171 267 | 173 605 |
| Provinces and municipalities | - | 1 291 | 8 162 | 500 | 3 693 | 3 693 | 1 250 | - | - |
| Umkhanyakude District municipality | - | 981 | - | - | - | - | - | - | - |
| Harry Gwala District Municipality | - | - | - | - | 500 | 500 | - | - | - |
| uMhlathuze Municipality | - | 310 | 500 | - | - | - | - | - | - |
| Hibiscus Coast Municipality | - | - | 3 000 | - | 300 | 300 | 1 000 | - | - |
| Mandeni Municipality | - | - | 4 183 | - | 600 | 600 | - | - | - |
| Okhahlamba Municipality Drakensberg Cable Car | - | - | - | - | 1 793 | 1 793 | - | - | - |
| Umginyathi Municipality | - | - | 479 | 500 | 500 | 500 | 250 | - | - |
| Departmental agencies and accounts | 130 715 | 173 663 | 161 968 | 164 237 | 168 906 | 168 906 | 162 690 | 170 067 | 172 345 |
| KZNSB | 41 334 | 55 371 | 59 985 | 56 109 | 57 109 | 57 109 | 56 678 | 59 364 | 56 032 |
| TKZN | 89 381 | 118 292 | 99 983 | 103 628 | 109 297 | 109 297 | 101 512 | 106 203 | 111 813 |
| EKZNW | - | - | 2 000 | 4 500 | 2 500 | 2 500 | 4 500 | 4 500 | 4 500 |

Table 4.12 : Summary of transfers and subsidies by programme and main category (continued)

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| 6. Tourism (continued) | 130 715 | 194 966 | 223 379 | 174 818 | 306 786 | 306 786 | 164 940 | 171 267 | 173 605 |
| Public corporations and private enterprises | - | 19 991 | 53 245 | 1 000 | 134 187 | 134 187 | 1 000 | 1 200 | 1 260 |
| Township to Township Marathon | - | - | 1 000 | - | - | - | - | - | - |
| King Shaka Memorial site | - | - | 400 | - | - | - | - | - | - |
| Tourism Enterprise Partnership | - | - | - | 1 000 | 1 000 | 1 000 | 1 000 | 1 200 | 1 260 |
| Durban Beach Festival, DBN underground | - | 1 500 | 1 700 | - | - | - | - | - | - |
| 2nd Annual Maritzburg Corporate Challenge | - | 500 | - | - | - | - | - | - | - |
| Midmar Music Festival | - | 1 500 | - | - | - | - | - | - | - |
| King Shaka Fashion Festival | - | 5 400 | - | - | - | - | - | - | - |
| Mhlacu Festival | - | 1 500 | - | - | - | - | - | - | - |
| Fact Durban Rocks | - | 1 600 | 1 000 | - | - | - | - | - | - |
| Umgababa New Year's Picnic | - | 1 500 | 1 000 | - | - | - | - | - | - |
| Bundu Mix | - | 900 | - | - | - | - | - | - | - |
| Youth Development in Motion | - | 91 | - | - | - | - | - | - | - |
| Umthayi Marula Festival | - | 5 500 | - | - | - | - | - | - | - |
| uMphithi Spring Festival | - | - | 1 963 | - | - | - | - | - | - |
| Umlazi Festival, Expo and Edu-Sport | - | - | 9 100 | - | 2 400 | 2 400 | - | - | - |
| Urban Music Tour, Kasi Tour and iBeach Exp. | - | - | 4 900 | - | - | - | - | - | - |
| SMME Conferences | - | - | 2 000 | - | - | - | - | - | - |
| Strategic Cabinet Initiatives Fund - Events | - | - | 30 182 | - | 130 787 | 130 787 | - | - | - |
| Non-profit institutions | - | - | - | 9 081 | - | - | - | - | - |
| Cycling SA | - | - | - | 9 081 | - | - | - | - | - |
| Households | - | 21 | 4 | - | - | - | - | - | - |
| Social benefits | - | 21 | 4 | - | - | - | - | - | - |
| 7. Environmental Affairs | 496 675 | 555 430 | 592 409 | 664 835 | 665 536 | 665 536 | 654 014 | 689 348 | 723 765 |
| Provinces and municipalities | 900 | 17 | 600 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 |
| Greenest Municipality Competition | 900 | - | 600 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 |
| Motor vehicle licences | - | 17 | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 491 317 | 549 893 | 586 522 | 657 895 | 657 895 | 657 895 | 646 819 | 681 825 | 715 916 |
| EKZNW | 491 317 | 549 893 | 586 522 | 657 895 | 657 895 | 657 895 | 646 819 | 681 825 | 715 916 |
| Non-profit institutions | 4 390 | 5 000 | 5 227 | 5 940 | 5 940 | 5 940 | 6 195 | 6 523 | 6 849 |
| WESSA | 400 | 400 | - | 400 | 400 | 400 | 400 | 421 | 442 |
| SAAMBR | 3 990 | 4 600 | 5 227 | 5 540 | 5 540 | 5 540 | 5 795 | 6 102 | 6 407 |
| Households | 68 | 520 | 60 | - | 701 | 701 | - | - | - |
| Social benefits | 68 | 520 | 60 | - | 701 | 701 | - | - | - |
| Total | 1 529 555 | 1 619 285 | 2 541 637 | 2 048 634 | 2 180 629 | 2 180 631 | 2 038 564 | 2 120 110 | 2 197 974 |

Transfers against *Households* in all programmes are mainly *Social benefits* relating to staff exit costs.

The category *Transfers and subsidies* under Programme 1 fluctuates over the seven-year period, largely due to the nature of the transfers made, as follows:

- Spending in 2011/12 against *Provinces and municipalities* was mainly for motor vehicle licences.
- *Departmental agencies and accounts* within this programme catered for transfers to the Public Service Sector Education and Training Authority (PSETA) for training. The amounts in 2013/14 and 2014/15 relate to the PSETA levies. The department was required to set aside 30 per cent of 1 per cent of the *Compensation of employees* budget for training, and pay over to the PSETA in terms of the Skills Development Act. However, in line with National Treasury Circular of 10 July 2014, national departments applied for the creation of a single transfer to PSETA through DPSA. The result of this is that departments do not have to transfer funds to PSETA from 2015/16 onward, unless such transfers are meant for a different purpose, hence there is no budget in this regard over the MTEF. Also, transfers to SABC for TV licences were reclassified, following changes in SCOA.
- Transfers were made against *Public corporations and private enterprises* for a donation relating to the “Stop Killing the Rhino campaign” which was conducted by the Sakhisizwe Management Agency in the Mtubatuba area.
- Spending in 2011/12 against *Non-profit institutions* relates to sponsorship of choir uniforms. In the 2014/15 Adjusted Appropriation, funds were reprioritised to cater for donations to the Destiny House, where the department purchased computers and provided for transport and meals for Grade 12 learners in various districts to be exposed in the tourism and hospitality field. In addition, a donation was made in respect of the Durban SAPS widows and orphans fund toward fundraising for a golf day event.
- *Households* against *Bursaries* relates to bursary funds for people with disabilities, which are transferred through the Indumezulu Trust.

The category *Transfers and subsidies* under Programme 2 provides for the following:

- Allocations against *Provinces and municipalities* relate to joint project funding for the construction of trading centres in various municipalities. The increase in the 2014/15 Adjusted Appropriation is attributed to once-off funding to cater for the SMME Fair and Exhibition held at eThekweni Metro.
- The 2011/12 amount against *Departmental agencies and accounts* relates to once-off funding transferred to EKZNW with regard to a corporate social investment project, where dams were built for communities in drought-stricken areas.
- *Public corporations and private enterprises* mainly caters for Ithala. The decrease in 2012/13 can be ascribed to a reduction in the Growth Fund, where funds were moved to cater for spending pressures, as explained previously. In 2013/14 and the 2014/15 Adjusted Appropriation, once-off additional funding was added for transfer to Ithala to ensure Ithala Limited maintains a certain minimum capital adequacy ratio, as well as for the turnaround strategy. Also, once-off funding was allocated to private enterprises for the co-operative funding and KZN Youth and Women Co-operatives Business *Indaba*, SEDA eThekweni, and Operation *Vuselela*. Mitigating this increase, was the shifting of funds in respect of the SBDA to *Goods and services* to cater for the entity's establishment costs paid by the department on behalf of the entity. The minimal growth in 2015/16 relates to once-off funding for the EIA for the Drakensberg cable car allocated against Ithala. The budget remains constant over the two outer years, and is to provide for the transfers to the Enterprise Development Fund.
- Spending in 2012/13 against *Non-profit institutions* relates to the once-off transfer to the Ilembe Chamber of Commerce in respect of a support desk project, and donations made to Project Gateway an NGO. The KZN Growth Fund Trust is a separate entity and its funding will no longer be transferred via Ithala. The peak in 2013/14 relates to unspent funds for the KZN Growth Fund Trust that were previously held by Ithala. There was a reduction in the 2014/15 Adjusted Appropriation due to the entity's positive cash balance. The MTEF allocations caters for the KZN Growth Fund Trust and SBDA. The latter is budgeted for from 2016/17 onward.
- *Households* largely relates to external bursaries. The transfer provides for external bursaries to students at UKZN who are studying toward a Post-graduate Diploma and Masters in LED, and for the Co-operative Management Diploma offered at UNIZULU. The decrease in the 2014/15 Adjusted Appropriation relates to students dropping out from studying toward the Co-operative Management Diploma. Funding is also catered for over the 2015/16 MTEF.

The category *Transfers and subsidies* under Programme 3 provides for the following:

- *Departmental agencies and accounts* covers transfer payments made to TIK and DTPC.
 - The trend increases substantially in 2013/14 against TIK due to funding for the Makhaya Arts and Culture Development which promotes South African arts, culture, people and values in the international arena. In addition, funding for investment seminars was re-classified as a transfer payment to TIK. The further increase in the 2014/15 Adjusted Appropriation was mainly due to investment seminars associated with the East 3 Route project to promote the trade and investment industry, as well as TAF for a renewable energy project assigned to TIK. The TIK allocation shows declining growth in 2017/18, because funding for the TAF and marketing falls away.
 - In the 2014/15 Adjusted Appropriation, DTPC's transfer was reduced due to the entity's positive cash balance. These funds were used to offset spending pressures in other entities, such as KZN Film Commission. This reduction was carried through over the MTEF. The MTEF allocation relates to the development of additional infrastructure in line with the DTPC 60-year Master Plan.
- *Public corporations and private enterprises* largely caters for the RBIDZ transfers. In 2013/14, the RBIDZ transfer was reduced due to the entity's positive cash balance, to address spending pressures in other categories. In 2015/16, the entity is allocated once-off additional funding of R40 million for infrastructure development as mentioned, explaining the significant decrease in 2016/17. Also included against this category are transfers to private enterprises relating to various projects, KZN Fashion Council, KZN Clothing Textile Cluster and Music Cluster. The continuation of the Ugu ICT Incubator and the Maritime Cluster is also catered for in 2015/16.
- *Non-profit institutions* includes transfers to various entities as follows:

- o The high amount transferred to MKI in 2011/12 relates to establishment of computer laboratories in four additional districts. This explains the lower spending in 2012/13 and beyond. The allocation over the 2015/16 MTEF increases steadily.
- o The allocation for the Durban Film Festival is budgeted for under the KZN Film Commission from 2014/15, since this entity is assigned to host the event.
- o The KZN Film Commission was established in 2013/14. The budget for this entity is largely for operational costs. The department undertook reprioritisation and transfers to this entity were increased from the 2014/15 Adjusted Appropriation onward to fund the entity's operational costs at a sustainable level. The allocations in 2014/15 and over the 2015/16 MTEF include funding for the Durban Film Festival, as well as the Simon Mabhunu Sabela Film Awards. The allocations reflect increasing growth over the 2015/16 MTEF. The significant increase in 2016/17 is linked to the increase in the number of productions and associated markets and distribution channels, as well as to set-up a Film Fund which will co-fund production of feature films.

Programme 4 caters for the transfer of funds to the KZNLA under *Departmental agencies and accounts*. The transfer in 2012/13 includes the entity's establishment costs. The increase in 2014/15 relates to once-off additional funding relating to the entity's operational costs which are funded from the liquor licences revenue from 2015/16, as well as the carry-through allocation for procurement of the new IT system. The decrease in 2015/16 is ascribed to lower liquor licences collections, in respect of which the forecast has an impact on the operational budget allocation to KZNLA.

With regard to Programme 5, the transfer to UKZN in the 2014/15 Adjusted Appropriation against *Transfers and subsidies to: Higher education institutions* was to co-ordinate the Manufacturing Survey, which is a follow-up survey from a survey that was conducted in 2002/03 to profile the state of the manufacturing sector. This survey was conducted to analyse the rate of survival within the sector, as well as challenges that firms are facing.

The category *Transfers and subsidies* under Programme 6 provides for the following:

- *Provinces and municipalities*: The spending in 2012/13 is attributed to the Richards Bay breakfast event and the Ingoma Music Festival that were held at the uThungulu and Umkhanyakude District Municipalities, respectively. The increase in 2013/14 relates to funding for a number of projects that were reclassified from *Goods and services* to this category, such as the revitalisation of Alkantstrand Beach, and rehabilitation of South Port Beach in the uMhlathuze and Hibiscus Coast Municipalities, respectively. Also contributing is the funding for the Dundee July rural horse racing event held in the Umzinyathi District Municipality. The increase in the 2014/15 Adjusted Appropriation can be ascribed to the Drakensberg cable car consultations in respect of Okhahlamba Municipality, the Tourism Route Strategy for the Harry Gwala District Municipality, revitalisation and rehabilitation of Dokodweni, as well as South Port Beach in Mandeni and Hibiscus Coast Municipalities. The 2015/16 allocation relates to the July rural horse racing event and the revitalisation of beaches in the KwaDukuza Municipality.
- *Departmental agencies and accounts* caters for transfers to TKZN, KZNSB and EKZNW. The significant increase in 2012/13 relates to increased capital requirements of the KZNSB, as well as projects under TKZN, such as the KZN Summer campaign and East 3 Route. This explains the decrease in 2013/14. The increase in the 2014/15 Adjusted Appropriation was due to once-off funding to TKZN for promotion and marketing of the World Routes 2015, promotion and marketing the East 3 Route, as well as the 2014 Carnival International De Victoria. In addition, KZNSB received an increased transfer for hosting the Sharks International Conference in June 2014. Also included is funding for projects such as the Ingodini Border Caves, Ntsikeni and May Lodge and the development of Bhambatha Lodge, which is also budgeted for over the 2015/16 MTEF.
- Various once-off projects were funded under *Public corporations and private enterprises* since 2012/13, such as the Midmar Music Festival, the King Shaka Fashion Festival and the uMthayi Marula Festival. In 2013/14, the increase can be ascribed to partnership funding for events such as the uMphithi Spring Music Festival, Umlazi Festival and Expo, Urban Music Tour and the SMME Conference that the department hosts in partnership with various private enterprises. The increase in

the 2014/15 Adjusted Appropriation is largely ascribed to additional funding from the Strategic Cabinet Initiatives Fund for various events such as the Nelson Mandela Golf Tournament, Africa Bike Week and the SA Women's Golf Championship events, among others. This explains the decrease over the 2015/16 MTEF. This category includes a carry-through funding in respect of the Tourism Enterprise partnership only.

The category *Transfers and subsidies* under Programme 7 provides for the following:

- *Provinces and municipalities* reflects transfers to various municipalities in respect of the Greenest Municipality Competition from 2011/12 onward. The budget remains constant over the MTEF.
- *Departmental agencies and accounts* comprises the subsidy paid to EKZNW, which shows an increasing trend over the seven-year period. The transfer in 2011/12 includes additional funding for the improved conditions of employment negotiated with organised labour, as well as once-off funding to enable the entity to reduce its high leave liability. The 2012/13 year includes specific funding for protected area expansion and road maintenance and the Rhino Security Intervention plan. The increase in 2014/15 was due to the suspension of the unspent and uncommitted road maintenance budget relating to 2013/14. In 2014/15, the entity received a once-off additional transfer relating to suspension of parts of the road maintenance funds, explaining the decrease in 2015/16.
- *Non-profit institutions*, consists of transfers to WESSA for environmental education programmes, and the grant-in-aid to SAAMBR. In 2013/14, no transfer payment was made to WESSA following technical problems with the banking details of the institution. This category shows inflationary growth over the 2015/16 MTEF.

6. Programme description

The services rendered by this department are categorised under seven programmes, which are explained below. The programme structure largely conforms to the uniform budget and programme structure for the Economic Development and Tourism sector, and the Environmental Affairs sector. The payments and budgeted estimates for each programme are summarised in terms of sub-programmes and economic classification, details of which are given in *Annexure – Vote 4: Economic Development, Tourism and Environmental Affairs*.

6.1 Programme 1: Administration

The main purpose of Programme 1 is to provide for the overall management of the department, and to render a support service to the other programmes in respect of transversal functions. This programme consists of four sub-programmes, namely Office of the MEC, Office of the HOD, Financial Management and Corporate Services.

Tables 4.13 and 4.14 below illustrate the payments and estimates of this programme over the seven-year period 2011/12 to 2017/18. The erratic trend against this programme relates to the additional allocations for events under the sub-programmes Corporate Services and Office of the HOD.

Table 4.13 : Summary of payments and estimates by sub-programme: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Office of the MEC | 23 977 | 23 465 | 30 670 | 29 096 | 28 425 | 28 046 | 33 144 | 31 600 | 33 180 |
| 2. Office of the HOD | 15 297 | 50 900 | 65 640 | 31 576 | 36 199 | 38 431 | 36 627 | 30 113 | 31 619 |
| 3. Financial Management | 22 355 | 21 904 | 24 598 | 28 246 | 31 258 | 33 128 | 46 507 | 48 923 | 51 470 |
| 4. Corporate Services | 147 965 | 116 196 | 105 189 | 105 958 | 105 387 | 101 664 | 116 817 | 123 358 | 129 526 |
| Total | 209 594 | 212 465 | 226 097 | 194 876 | 201 269 | 201 269 | 233 095 | 233 994 | 245 795 |

Table 4.14 : Summary of payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2014/15 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 205 975 | 209 518 | 215 968 | 191 813 | 193 586 | 195 136 | 228 904 | 233 438 | 245 211 |
| Compensation of employees | 49 262 | 54 090 | 61 343 | 70 685 | 75 420 | 73 917 | 96 316 | 102 413 | 107 635 |
| Goods and services | 156 713 | 155 428 | 154 625 | 121 128 | 118 166 | 121 219 | 132 588 | 131 025 | 137 576 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 499 | 795 | 44 | 20 | 1 351 | 1 353 | 531 | 556 | 584 |
| Provinces and municipalities | 14 | 21 | 33 | 20 | 20 | 20 | 31 | 33 | 35 |
| Departmental agencies and accounts | - | - | - | - | 546 | 547 | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | 96 | 96 | - | - | - |
| Non-profit institutions | 24 | - | - | - | 129 | 129 | - | - | - |
| Households | 461 | 774 | 11 | - | 560 | 561 | 500 | 523 | 549 |
| Payments for capital assets | 3 118 | 2 152 | 10 085 | 3 043 | 6 332 | 4 780 | 3 660 | - | - |
| Buildings and other fixed structures | - | - | - | - | - | 28 | - | - | - |
| Machinery and equipment | 2 735 | 2 143 | 3 669 | 3 043 | 6 332 | 4 622 | 3 660 | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 383 | 9 | 6 416 | - | - | 130 | - | - | - |
| Payments for financial assets | 2 | - | - | - | - | - | - | - | - |
| Total | 209 594 | 212 465 | 226 097 | 194 876 | 201 269 | 201 269 | 233 095 | 233 994 | 245 795 |

The sub-programme: Office of the MEC reflects a fluctuating trend over the seven-year period. The significant increase in 2013/14 was mainly due to once-off additional funding for OSS initiatives, as well as the set-up costs of the new Ministry offices in Pietermaritzburg and the operational costs, accounting for the decrease thereafter. There is significant growth in 2015/16 largely due to reprioritisation of funds from other sub-programmes to provide for furniture required for the ministry offices in Pietermaritzburg, accounting for the decrease in 2016/17. Thereafter, the outer year continues to grow steadily.

The significant increase in 2012/13 against the Office of the HOD relates to a roll-over granted in respect of the Top Gear Festival, TAFI events and KZN Convention Bureau Bid Fund. The further increase in 2013/14 can be ascribed to the reprioritisation of projects, where funds were moved from other programmes to fund the Industrial Economic Hubs, Royalty Soapie Awards, Ithala Repositioning, etc. This explains the substantial decrease in 2014/15. The increase in the 2014/15 Adjusted Appropriation was to cater for the Growth Fund restructuring feasibility study, an independent Ithala repositioning analysis report, as well as a study to be undertaken into the rationalisation of the public entities that fall under the department. The minimal growth in 2015/16 is ascribed to reprioritisation undertaken to fund projects such as the KZN Tourism Ambassador programme and SIT, as explained previously. The two outer years of the MTEF show steady growth.

The high spending against the sub-programme: Financial Management in 2011/12 relates to a significant increase in audit fees, accounting for the decline in 2012/13. The further increase in the 2014/15 Adjusted Appropriation is attributed to the Environmental Affairs function shift to fund additional human resource capacity needed for administration support services. The sub-programme increases at an inflationary rate over the 2015/16 MTEF.

With regard to the Corporate Services sub-programme, the high spending in 2011/12 relates to once-off educational and awareness campaigns held across KZN to educate the public on the KZN Liquor Licensing Amendment Act and KZN Consumer Protection Act. This explains the decrease in 2012/13, while the further decrease in 2013/14 was due to the centralisation of parts of the communications budget, as well as external bursaries under OTP. This also explains the minimal increase in 2014/15. Over the 2015/16 MTEF, the department has been reallocated funds relating to the external bursaries budget that were centralised in the 2014/15 MTEF under OTP. This has been decentralised back to all departments from which the budget was previously moved. The sub-programme increases at an inflationary rate over the 2015/16 MTEF.

Compensation of employees shows an increasing trend over the seven-year period. The increase in the 2014/15 Adjusted Appropriation can be ascribed to the Environmental Affairs function shift to fund

additional human resource capacity needed for administration support services, as well as the SMS pay progression back-dated from 2009/10. The department budgeted to fill all critical vacant posts under this programme, hence the significant increase from 2015/16. The two outer years show inflationary growth.

The high spending in 2011/12 against *Goods and services* relates to once-off costs in respect of awareness campaigns undertaken relating to the KZN Consumer Protection Act and the KZN Liquor Licensing Amendment Act. The minimal drop in 2012/13 was due to expenditure for the Top Gear Festival and MTV Awards being deemed to be prepayments by the A-G, which caused a reduction in spending. The spending in 2013/14 included funds that were reprioritised from other programmes to fund projects such as the Industrial Economic Hubs, the Royalty Soapie Awards, Ithala Repositioning and the Aerotropolis strategy, as well as additional funding for OSS. This explains the significant decrease in 2014/15. The further decrease in the 2014/15 Adjusted Appropriation relates to savings as a result of financial controls implemented on travel and subsistence. This category reflects fluctuating growth over the 2015/16 MTEF, largely due to reprioritisation undertaken to fund the KZN Tourism Ambassador programme and SIT project, accounting for the high growth in 2015/16.

Spending against *Transfers and subsidies to: Provinces and municipalities* largely relates to motor vehicle licence fees. The increase from 2012/13 can be ascribed to the purchasing of new motor vehicles. The increase in 2013/14 is attributed to a donation made to Divine Touch FM in Durban for transmission fees, accounting for the decrease from 2014/15. The allocation over the 2015/16 MTEF caters only for motor vehicle licences.

The budget against *Transfers and subsidies to: Departmental agencies and accounts* allocated in the 2014/15 Adjusted Appropriation was mainly for training in respect of PSETA. As mentioned, the spending from 2011/12 to 2014/15 was largely for payments relating to the skills development levy to PSETA. Departments do not have to transfer funds to PSETA from 2015/16 onward, unless such transfers are meant for a different purpose, hence there is no budget in this regard over the MTEF. The payment for TV licences was re-classified from *Goods and services* to this category, following changes in SCOA.

The transfer of R96 000 in the 2014/15 Adjusted Appropriation against *Transfers and subsidies to: Public corporations and private enterprises* relates to a donation in respect of “Stop Killing the Rhino” campaign which was conducted by the Sakhisizwe Management Agency in Mtubatuba.

Transfers and subsidies to: Non-profit institutions comprises donations made for the sponsorship of choir uniforms in 2011/12. The increase in the 2014/15 Adjusted Appropriation relates to various donations made to Destiny House, where the department purchased computers. The department also made donations for Grade 12 learners in various districts to be exposed to the tourism and hospitality field. As such, the department made payments for transport and meal costs. In addition, a donation was made in respect of the Durban SAPS widows and orphans fund toward fundraising for their golf day event.

The spending against *Transfers and subsidies to: Households* relates to staff exit costs. The peak in 2012/13 included funds relating to external bursaries for students with disabilities. The funds for external bursaries were centralised under OTP in 2013/14, accounting for the decrease in both 2013/14 and 2014/15. The 2014/15 Adjusted Appropriation relates to bursary funds for people with disabilities, which are transferred through the Indumezulu Trust. The funds were moved from OTP to be disbursed by the department, as the department has a multi-year contract with the Indumezulu Trust. Included were donations made in the form of bursaries to students who completed Grade 12 and did not have funds to pursue their studies at university, which was done in line with the poverty alleviation programme. The MTEF allocations relate to bursary funds for people with disabilities, as well as the fact that the department’s allocation increases as a result of decentralisation of the external bursaries from OTP to the department.

An amount of R28 000 against *Building and other fixed structures* in the 2014/15 Revised Estimate relates to security guard houses purchased for the Dundee and Vryheid district offices.

Machinery and equipment fluctuates from 2011/12 to 2013/14 largely due to actual requirements of equipment. The increase in 2013/14 is attributed to the purchase of motor vehicles for the Ministry office, furniture and also to provide for a new server for the head office. The further increase in the 2014/15 Adjusted Appropriation relates to provision for the upgrading of the department’s servers and for the new

Ministry offices in Pietermaritzburg. The former is also budgeted for in 2015/16, and there is no allocation for this category in the two outer years, at this stage.

The high spending in 2011/12 against *Software and other intangible assets* relates to Microsoft licences, the purchase of legal software resources, as well as process management software packages for the new regional offices. The peak in 2013/14 was due to the purchase of Sabinet software subscriptions relating to the department's library information database and new server software and workstation software licences.

Payments for financial assets reflects various losses which were written off in 2011/12.

6.2 Programme 2: Integrated Economic Development Services

The main purpose of this programme is the provision of strategic leadership, direction and co-ordination of economic empowerment initiatives in KZN. Programme 2 consists of three sub-programmes, namely: Enterprise Development, Regional and Local Economic Development, and Economic Empowerment. Tables 4.15 and 4.16 below illustrate payments and estimates for the period 2011/12 to 2017/18.

Table 4.15 : Summary of payments and estimates by sub-programme: Integrated Economic Development Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|------------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Enterprise Development | 350 094 | 326 803 | 981 378 | 366 107 | 481 519 | 479 291 | 356 071 | 362 377 | 405 264 |
| 2. Regional and Local Economic Development | 33 481 | 49 462 | 52 245 | 38 645 | 42 710 | 41 609 | 35 210 | 42 576 | 56 384 |
| 3. Economic Empowerment | 43 978 | 31 093 | 40 107 | 36 824 | 36 824 | 34 569 | 31 434 | 33 204 | 34 864 |
| Total | 427 553 | 407 358 | 1 073 730 | 441 576 | 561 053 | 555 469 | 422 715 | 438 157 | 496 512 |

Table 4.16 : Summary of payments and estimates by economic classification: Integrated Economic Development Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|------------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 136 258 | 142 674 | 116 180 | 147 021 | 202 799 | 197 145 | 167 780 | 148 272 | 205 880 |
| Compensation of employees | 37 454 | 39 437 | 45 606 | 56 646 | 53 212 | 52 123 | 59 230 | 63 021 | 64 726 |
| Goods and services | 98 804 | 103 237 | 70 574 | 90 375 | 149 587 | 145 022 | 108 550 | 85 251 | 141 154 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 291 098 | 259 294 | 957 358 | 294 405 | 358 008 | 358 008 | 254 580 | 289 885 | 290 379 |
| Provinces and municipalities | - | 2 953 | 2 414 | - | 992 | 992 | - | - | - |
| Departmental agencies and accounts | 970 | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 280 000 | 249 500 | 323 426 | 185 000 | 289 303 | 289 303 | 149 700 | 148 000 | 148 000 |
| Non-profit institutions | - | 531 | 620 102 | 95 000 | 55 000 | 55 000 | 95 000 | 132 000 | 132 000 |
| Households | 10 128 | 6 310 | 11 416 | 14 405 | 12 713 | 12 713 | 9 880 | 9 885 | 10 379 |
| Payments for capital assets | 197 | 405 | 192 | 150 | 246 | 316 | 355 | - | 253 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 197 | 405 | 192 | 150 | 246 | 316 | 155 | - | 253 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | 200 | - | - |
| Payments for financial assets | - | 4 985 | - | - | - | - | - | - | - |
| Total | 427 553 | 407 358 | 1 073 730 | 441 576 | 561 053 | 555 469 | 422 715 | 438 157 | 496 512 |

The high spending in 2011/12 against the sub-programme: Enterprise Development largely relates to funding to the KZN Growth Fund Trust, SBDA and the Enterprise Development Fund. The reduction in 2012/13 can be ascribed to savings from the Growth Fund which were moved to cater for a shortfall in *Goods and services* and *Transfers and subsidies to: Non-profit institutions* in Programme 3. The substantial increase in 2013/14 is attributed to additional funding for the Ithala capital adequacy ratio, and reallocation of previous year's unspent funds in respect of the KZN Growth Fund Trust, as previously mentioned, hence, the significant decline in 2014/15. The increase in the 2014/15 Adjusted Appropriation was due to an increased transfer to Ithala to ensure Ithala Limited maintains a certain minimum capital adequacy ratio, and the Ithala turnaround strategy. This increased transfer was possible as a result of reprioritisation, hence

the decrease in 2015/16. This sub-programme reflects high growth in the outer year to provide for co-operatives projects/events such as Co-operative train a trainer, Co-operatives mentorship and International day of Co-operatives, among others, that are anticipated to be implemented in 2017/18.

The increase in 2012/13 against the sub-programme: Regional and Local Economic Development relates to *Transfers and subsidies to: Provinces and municipalities* made in respect of joint project funding in the Mthonjaneni and Mandeni Municipalities for the construction of trading centres. The increase in 2013/14 was largely due to non-employees' bursaries for students at UKZN who are studying toward Post-graduate Diplomas and Masters in LED. The increase in the 2014/15 Adjusted Appropriation relates to the Mandela Exhibition Careers Expo. These funds were inadvertently allocated against this sub-programme instead of the sub-programme: Economic Empowerment, and this accounts for the decrease in 2015/16. The allocation over the 2015/16 MTEF increases steadily.

The decrease in 2012/13 against the sub-programme: Economic Empowerment relates to delays in the finalisation of SLAs and SCM processes for some of the projects such as *uMyezane* Awards and youth skills training. The increase in 2013/14 is attributed to the Mandela Exhibition Career Expos that took place in all districts, as well as *uMyezane* Awards, accounting for the decrease in 2014/15. The further decrease in 2015/16 is driven by reprioritisation to provide for the World Routes 2015 in Programme 6.

Compensation of employees shows an increasing trend from 2011/12 to 2013/14. The decrease in the 2014/15 Adjusted Appropriation was driven by delays in filling posts. This explains the significant increase in 2015/16, since the department is budgeting to fill all vacant posts under this programme. The MTEF allocation grows at a steady rate.

The increase in 2012/13 against *Goods and services* largely relates to the LED Tongaat Hulett Sugar project. In 2013/14, there is a decrease largely attributed to LED and SMME projects that were put on hold and the budget was reprioritised mainly to fund projects and events under Programmes 1 and 6. The increase in the 2014/15 Adjusted Appropriation relates to R37 million allocated for SBDA which was moved from *Transfers and subsidies to: Public corporations and private enterprises* to *Goods and services* to cater for the establishment costs of the SBDA that would be paid by the department on behalf of the entity, as well as to cater for the shortfall relating to the Mandela Exhibition Career Expos. The SBDA funding is also allocated under this category in 2015/16. This explains the substantial decrease in 2016/17. The high growth in 2017/18 is ascribed to co-operative and LED projects and the Sugar Industry Support programme which is to enable government to partially meet its socio-economic strategic and policy objectives in supporting employment in rural areas, promoting productive economic activity and the development of small enterprises/entities focus on sugar cane growing.

The spending from 2012/13 against *Transfers and subsidies to: Provinces and municipalities* provides for joint project funding in the Mthonjaneni and Mandeni Municipalities for the construction of trading centres, as previously mentioned. This accounts for the decrease in 2013/14. The 2014/15 Adjusted Appropriation includes the SMME Fair and Exhibition hosted jointly with eThekweni Metro. There is no allocation over the 2015/16 MTEF, at this stage.

In 2011/12, funds were transferred to EKZNW against *Transfers and subsidies to: Departmental agencies and accounts*, for a corporate social investment project.

The allocation from 2011/12 to 2012/13 against *Transfers and subsidies to: Public corporations and private enterprises* represents transfers to Ithala for the Growth and Enterprise Development Funds. The decrease in 2012/13 was due to savings against the Growth Fund to cater for shortfalls in *Goods and services*. The substantial increase in 2013/14 was due to additional funding added to Ithala to enable it to maintain its required minimum capital adequacy ratio. The Growth Fund was shifted from *Transfers and subsidies to: Public corporations and private enterprises* under Ithala to *Transfers and subsidies to: Non-profit institutions*, since this entity is in the process of registering as a separate entity, namely the KZN Growth Fund Trust. This explains the decrease in 2014/15. The increase in the 2014/15 Adjusted Appropriation was associated with the previously mentioned increased transfer to Ithala to ensure that Ithala Limited maintains a certain minimum capital adequacy ratio percentage, and the Ithala turnaround strategy. This accounts for the decrease in 2015/16. The 2015/16 budget includes funding earmarked for

finalisation of the EIA in respect of the Drakensberg cable car project to be conducted by Ithala, hence this funding is allocated under this entity. The budget remains constant over the two outer years of the MTEF.

The 2012/13 spending against *Transfers and subsidies to: Non-profit institutions* is due to the joint project funding for the construction of trading centres. The peak in 2013/14 largely relates to the KZN Growth Fund Trust where unspent funds held under Ithala were returned to the Provincial Revenue Fund, to be reallocated to this entity, which was reclassified under this category since it became a stand-alone entity, as previously mentioned. The MTEF allocations cater for the KZN Growth Fund Trust and remain constant.

The substantial increase in 2011/12 against *Transfers and subsidies to: Households* largely relates to amounts paid through OTP in respect of external bursaries. The 2012/13 transfer pertains to external bursaries for the Co-operative Management Diploma. The increase in 2013/14 was due to new transfers for external bursaries to students at UKZN studying toward Post-graduate Diplomas and Masters in LED, and the Co-operative Management Diploma at UNIZULU. These were not centralised under OTP as they are regarded as one of the department's main projects. The decrease in the 2014/15 Adjusted Appropriation relates to a reduction of funds for bursaries for students studying toward the Co-operative Management Diploma at UNIZULU, as some students dropped out. The allocations for these external bursaries were reduced accordingly, in 2015/16. Despite this reduction, the budget grows at a steady rate over the MTEF.

The fluctuations in *Machinery and equipment* relate to the requirements of new appointments and capital equipment for one-stop-shops for SMMEs and co-operatives. The increase in 2012/13 was due to the purchase of computer equipment. The MTEF allocation is based on new appointments' capital equipment requirements and replacement of redundant equipment. The increase in the 2014/15 Adjusted Appropriation was driven by higher than anticipated costs of replacing computers, accounting for the decrease in 2015/16.

The allocation of R200 000 in 2015/16 against *Software and other intangible assets* caters for new server software and workstation software licences.

The spending in 2012/13 against *Payments for financial assets* was for losses relating to the SMME risk sharing fund in respect of loan defaulters, in terms of an agreement with Standard Bank.

Service delivery measures – Programme 2: Integrated Economic Development Services

Table 4.17 below shows the main service delivery measures pertaining to Programme 2. There are no current generic measures for this sector. The department reviewed its service delivery measures for 2015/16, and hence a number of new targets are included. The performance target “New” in the 2014/15 Estimated performance illustrates that the indicator did not exist in 2014/15, and that it is a new indicator from 2015/16 onward.

Table 4.17 : Service delivery measures – Programme 2: Integrated Economic Development Services

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|---|--|-----------------------|---------------------|---------|---------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 1. Enterprise Development – SMMEs and Co-operatives | | | | | | |
| 1.1 Co-ordinate social partners and other stakeholders | <ul style="list-style-type: none"> No. of resolutions adopted by social partners and stakeholders Percentage of implementation of resolutions adopted by social partners | New | 1 | 1 | 1 | |
| | | New | 100% | 100% | 100% | |
| 1.2 Promote SMMEs and co-operatives | <ul style="list-style-type: none"> No. of SMMEs and co-operatives registered in KZN that have been in operation for more than 2 years | 240 | 1 340 | 1 290 | 1 240 | |
| 1.3 Establish organisational capacity to enable delivery of mandate through effective financial management, corporate governance, risk management and internal control frameworks | <ul style="list-style-type: none"> Clean audit outcome | 1 | 1 | 1 | 1 | |
| 2. Regional and Local Economic Development | | | | | | |
| 2.1 Co-ordinate social partners and other stakeholders in the province | <ul style="list-style-type: none"> No. of resolutions adopted by social partners and stakeholders Percentage of implementation of resolutions adopted by social partners | 2 | 2 | 2 | 2 | |
| | | New | 50% | 50% | 50% | |

Table 4.17 : Service delivery measures – Programme 2: Integrated Economic Development Services

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|-----------|---|--|---------------------|-----------|------------|------------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 2.2 | Implement existing productive and service sector strategies and plans | <ul style="list-style-type: none"> No. of jobs created No. of people trained | 50 140 | 50 100 | 550 100 | 650 100 |
| 3. | Economic Empowerment | | | | | |
| 3.1 | Co-ordinate social partners and other stakeholders | <ul style="list-style-type: none"> No. of resolutions adopted by social partners and stakeholders Percentage of implementation of resolutions adopted by social partners | New New | 3 50% | 5 60% | 6 70% |
| 3.2 | Facilitate the implementation of economic transformation strategies and policies | <ul style="list-style-type: none"> No. of specific interventions implemented | 5 | 6 | 7 | 10 |
| 3.3 | Establish organisational capacity to enable delivery of mandate through effective financial management, corporate governance, risk management and internal control frameworks | <ul style="list-style-type: none"> Clean audit outcome | 1 | 1 | 1 | 1 |

6.3 Programme 3: Trade and Sector Development

The main purpose of this programme is to stimulate economic growth through industry development, trade and investment promotion. This programme comprises three sub-programmes, namely Trade and Investment Promotion, Sector Development and Strategic Initiatives.

Tables 4.18 and 4.19 below give a summary of payments and estimates relating to Programme 3 for the period 2011/12 to 2017/18. A large portion of the budget against this programme is for DTPC, RBIDZ and the MKI, as well as transfers to TIK and the KZN Film Commission.

Table 4.18 : Summary of payments and estimates by sub-programme: Trade and Sector Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-----------------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Trade and Investment Promotion | 512 798 | 464 151 | 658 347 | 721 073 | 603 983 | 604 282 | 690 057 | 719 976 | 748 625 |
| 2. Sector Development | 78 487 | 72 724 | 70 481 | 93 051 | 158 564 | 160 308 | 156 255 | 203 863 | 214 056 |
| 3. Strategic Initiatives | 59 636 | 62 618 | 25 164 | 68 170 | 68 170 | 68 170 | 110 947 | 74 707 | 78 442 |
| Total | 650 921 | 599 493 | 753 992 | 882 294 | 830 717 | 832 760 | 957 259 | 998 546 | 1 041 123 |

Table 4.19 : Summary of payments and estimates by economic classification: Trade and Sector Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 40 318 | 46 373 | 29 463 | 45 020 | 59 302 | 61 313 | 59 768 | 99 658 | 103 885 |
| Compensation of employees | 8 239 | 7 532 | 6 639 | 6 364 | 9 031 | 8 257 | 13 630 | 14 502 | 15 227 |
| Goods and services | 32 079 | 38 841 | 22 824 | 38 656 | 50 271 | 53 056 | 46 138 | 85 156 | 88 658 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 610 518 | 553 073 | 724 515 | 837 274 | 771 400 | 771 400 | 897 491 | 898 888 | 937 238 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 509 870 | 457 361 | 650 486 | 707 717 | 596 851 | 596 851 | 673 816 | 709 158 | 738 022 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 59 636 | 62 618 | 30 164 | 68 170 | 78 870 | 78 870 | 123 247 | 74 707 | 78 442 |
| Non-profit institutions | 41 012 | 33 000 | 43 830 | 61 387 | 95 679 | 95 679 | 100 428 | 115 023 | 120 774 |
| Households | - | 94 | 35 | - | - | - | - | - | - |
| Payments for capital assets | 85 | 47 | 14 | - | 15 | 47 | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 85 | 47 | 14 | - | 15 | 47 | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 650 921 | 599 493 | 753 992 | 882 294 | 830 717 | 832 760 | 957 259 | 998 546 | 1 041 123 |

The sub-programme: Trade and Investment Promotion includes transfers to TIK, RBIDZ and DTPC. The fluctuating trend over the seven-year period largely relates to capital projects in terms of the DTPC Master Plan. The decrease in 2012/13 was mainly due to a portion of the transfer to DTPC being reduced and reprioritised to fund the MTV Awards. The substantial increase in 2013/14 was to provide for the KZNSB Repositioning strategy which was conducted by the Maritime cluster housed under this programme, and for the Makhaya Arts and Culture Development under TIK. The decrease in the 2014/15 Adjusted Appropriation can be ascribed to a reduction in the transfer to DTPC due to the entity's positive cash balance. This reduction was carried through to the 2015/16 MTEF. The bulk of the 2015/16 MTEF budget is mainly to cater for capital projects of DTPC in terms of its Master Plan.

The sub-programme: Sector Development caters mainly for transfers to the MKI and the KZN Film Commission. The high spending in 2011/12 can be ascribed to increased spending relating to Convention Bureau, explaining the decrease in 2012/13. The further decrease in 2013/14 was due to certain projects, such as cutflower, goat commercialisation and ship-building projects that were put on hold to fund spending pressures. This explains the increase in 2014/15. The further increase in the 2014/15 Adjusted Appropriation and over the 2015/16 MTEF is attributed to reprioritisation undertaken to fund the Industrial Economic Hubs and increased transfers to the KZN Film Commission. The substantial growth in 2016/17 is driven by reprioritisation undertaken to fund operational costs and the increase in the number of productions and associated markets and distribution channels of the KZN Film Commission.

The sub-programme: Strategic Initiatives reflects the transfers made to the RBIDZ. The significant decline in 2013/14 relates to a reduction in the transfer to RBIDZ due to the entity's positive cash balance, accounting for the increase in 2014/15. The peak in 2015/16 is ascribed to once-off additional funding of R40 million allocated for infrastructure development relating to the RBIDZ's Master Plan, explaining the decrease in 2016/17.

The decreasing trend from 2011/12 to 2013/14 against *Compensation of employees* can be ascribed to high staff turnover and difficulties in filling posts. The increase in the 2014/15 Adjusted Appropriation was largely driven by expenditure relating to prior years' commitments in respect of the SMS pay progression back-dated from 2009/10. The department budgeted to fill all critical vacant posts under this programme, accounting for the significant increase from 2015/16. The two outer years of the MTEF show steady growth.

The substantial increase in 2012/13 against *Goods and services* relates to reprioritisation from other programmes to fund sector projects, such as the BRICS Summit. This accounts for the decrease in 2013/14. Also contributing to the decrease was reprioritisation of funds relating to the cutflower, goat commercialisation and ship-building projects that were put on hold in 2013/14. The peak in the 2014/15 Adjusted Appropriation was driven by reprioritisation undertaken to fund the Industrial Economic Hubs housed in this programme. The reprioritisation of funds was also carried through over the 2015/16 MTEF. The significant increase from 2016/17 is associated with the implementation of Industrial Economic Hubs.

Transfers and subsidies to: Departmental agencies and accounts relates to the transfers to TIK and DTPC. The decrease in 2012/13 relates to the reprioritisation of DTPC funds to cater for projects, such as Ekhaya Multi-Art Centre and Integrated Craft Hub, and for events such as the MTV Awards. This accounts for the substantial increase in 2013/14 which was also driven by once-off additional funding to TIK for the Makhaya Arts and Culture Development, as well as funding for investment seminars, as TIK was assigned to conduct these projects. The significant decrease in the 2014/15 Adjusted Appropriation can be ascribed to the reduction in transfers to DTPC, as mentioned above. The significant growth over the 2015/16 MTEF largely relates to higher requirements of the DTPC Master Plan, as previously mentioned.

The allocation against *Transfers and subsidies to: Public corporations and private enterprises* relates to transfers to RBIDZ. In 2013/14, the RBIDZ transfer was reduced taking into account the positive cash balance of this entity. These funds were moved to fund the Co-operatives Incubator programme and the Ndumo Regeneration programme in Programme 2, accounting for the increase in 2014/15. In 2015/16, once-off additional funding is allocated to RBIDZ for infrastructure projects relating to its Master Plan. This accounts for the decrease in 2016/17, followed by growth in the outer year.

Transfers and subsidies to: Non-profit institutions pertains to transfers to the MKI, KZN Film Commission and a number of smaller transfers. The increase in the 2014/15 Adjusted Appropriation relates to reprioritisation of funds to cater for the KZN Film Commission's operational costs. This reprioritisation was carried through over the 2015/16 MTEF, accounting for the substantial increase.

Spending in respect of *Machinery and equipment* relates to capital equipment requirements, such as furniture and equipment for newly appointed staff and the replacement of redundant equipment. The 2014/15 Adjusted Appropriation can be ascribed to unanticipated costs of replacing computers.

Service delivery measures – Programme 3: Trade and Sector Development

Table 4.20 below shows the main service delivery measures pertaining to Programme 3. There are no current generic measures for this sector.

The department reviewed its service delivery measures for 2015/16, and hence a number of new targets are included. The performance target “New” in the 2014/15 Estimated performance illustrates that the indicator did not exist in 2014/15, and that it is a new indicator from 2015/16 onward.

Table 4.20 : Service delivery measures – Programme 3: Trade and Sector Development

| Outputs | | Performance indicators | Estimated performance | Medium-term targets | | |
|--|--|---|----------------------------------|-----------------------------|----------------------------|----------------------------------|
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 1. Trade and Investment Promotion | | | | | | |
| 1.1 | To facilitate trade and investment | <ul style="list-style-type: none">No. of investment and/or export strategies completedValue of investment (foreign and domestic) attracted to KZNValue of exports facilitatedNo. of trade exhibitions hosted at airport | 7 R1.4bn New New | 3 R2bn R1.5bn 1 | - R2bn R1.5bn 1 | - R2bn R1.5bn 1 |
| 2. Sector Development | | | | | | |
| 2.1 | Co-ordinate social partners and other stakeholders in the province | <ul style="list-style-type: none">No. of resolutions adopted by social partners and stakeholdersPercentage of implementation of resolutions adopted by social partners | 3 50% | 2 60% | - 65% | 2 70% |
| 2.2 | Facilitate the implementation of economic transformation strategies and policies | <ul style="list-style-type: none">No. of jobs created and sustainedNo. of business plans completedNo. of specific interventions implemented | 20 New 20 | 50 2 20 | 60 2 20 | 75 2 20 |
| 2.3 | Implement existing productive and service sector strategies and plans | <ul style="list-style-type: none">No. of businesses assisted with proactive interventions (No. of parks/hubs initiated/established)No. of people trained and linked to opportunitiesNo. of institutions supported to promote economic growth (KZN Economic Council)No. of clusters supportedNo. of clusters supported | 10 265 5 1 | 10 300 5 2 | 10 300 5 2 | 10 300 5 2 |
| 3. Strategic Initiatives | | | | | | |
| 3.1 | Co-ordinate social partners and other stakeholders | <ul style="list-style-type: none">No. of resolutions adopted by social partners and stakeholdersPercentage of implementation of resolutions adopted by social partners | New 50% | 1 60% | 1 65% | 1 70% |
| 3.2 | To implement existing productive and service sector strategies and plans | <ul style="list-style-type: none">No. of jobs created through aerotropolis initiativeNo. of jobs created through Maritime initiativeNo. of jobs created through Industrial Economic Hubs initiativeNo. of business plans or master plans completedNo. of international airlines flying directly to KSIANo. of review reports published | New New New 6 3 1 | - - - 10 4 2 | - - - 2 5 2 | 200 100 700 2 6 2 |

6.4 Programme 4: Business Regulation and Governance

The aim of this programme is to enable an equitable and socially responsible business environment. The programme consists of three sub-programmes, namely Regulation Services, Consumer Protection and Liquor Regulation. The main difference to this programme, when compared to the generic structure for the sector, is that Gambling and Betting falls under Vote 6: Provincial Treasury in this province.

Tables 4.21 and 4.22 below summarise the payments and estimates for the seven-year period from 2011/12 to 2017/18. The programme shows a fluctuating trend over the seven years, with a significant increase from 2012/13 onward due to the establishment of the KZNLA, and sustained at this high level in 2014/15, due to additional funding for the KZNLA.

Table 4.21 : Summary of payments and estimates by sub-programme: Business Regulation and Governance

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|------------------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Regulation Services | 2 007 | 3 079 | 3 595 | 7 317 | 6 420 | 4 974 | 6 575 | 6 705 | 7 040 |
| 2. Consumer Protection | 14 924 | 17 707 | 20 264 | 25 761 | 24 187 | 23 443 | 26 707 | 32 117 | 33 723 |
| 3. Liquor Regulation | 20 382 | 65 306 | 44 255 | 77 282 | 77 282 | 77 282 | 67 008 | 70 166 | 72 403 |
| Total | 37 313 | 86 092 | 68 114 | 110 360 | 107 889 | 105 699 | 100 290 | 108 988 | 113 166 |

Table 4.22 : Summary of payments and estimates by economic classification: Business Regulation and Governance

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 37 169 | 30 252 | 24 173 | 32 955 | 30 484 | 28 244 | 33 124 | 38 690 | 40 624 |
| Compensation of employees | 15 622 | 15 152 | 14 871 | 17 248 | 16 649 | 16 896 | 18 915 | 20 109 | 21 114 |
| Goods and services | 21 547 | 15 100 | 9 302 | 15 707 | 13 835 | 11 348 | 14 209 | 18 581 | 19 510 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | - | 55 724 | 43 932 | 77 282 | 77 282 | 77 282 | 67 008 | 70 166 | 72 403 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | 55 699 | 43 920 | 77 282 | 77 282 | 77 282 | 67 008 | 70 166 | 72 403 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | 25 | 12 | - | - | - | - | - | - |
| Payments for capital assets | 144 | 116 | 9 | 123 | 123 | 173 | 158 | 132 | 139 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 144 | 116 | 9 | 123 | 123 | 173 | 158 | 132 | 139 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 37 313 | 86 092 | 68 114 | 110 360 | 107 889 | 105 699 | 100 290 | 108 988 | 113 166 |

The Regulation Services sub-programme provides a regulatory framework for the functioning of both formal and informal trade to advance economic development and growth. This sub-programme was set-up in 2010/11, and spending in 2011/12 can be ascribed to operational costs and to the filling of posts. The decrease in 2014/15 was due to delays in filling vacant posts and funds were moved to offset pressures in other programmes. The allocation increases at a steady rate over the 2015/16 MTEF. The budget provides for the specialised capacity building intervention for the Provincial and District Informal Economy members, as well as for creating the Provincial Informal Economy database.

The spending against the sub-programme: Consumer Protection from 2012/13 to 2013/14 relates to awareness campaigns with regard to the KZN Consumer Protection Act. The significant increase in 2014/15 was to cater for consumer protection awareness campaigns. The allocation increases at a steady rate over the MTEF.

The Liquor Regulation sub-programme pertains to transfers made to the KZNLA. The low spending in 2011/12 was attributed to the entity only beginning to be set-up in that year, and included configuration of

office accommodation and purchase of office equipment. This entity was fully functioning from 2012/13, and the transfer included set-up costs relating to the previous year, explaining the decrease in 2013/14. The significant increase in 2014/15 relates to a once-off additional allocation to cater for the shortfall in respect of operational costs, as well as an allocation (for three years) for the procurement of an IT system for this entity. This explains the decrease in 2015/16. This entity is allocated additional funding from liquor licences over the 2015/16 MTEF, for operational costs, as mentioned. Funds relating to the IT system were removed from the department's baseline in 2017/18, accounting for minimal growth in that year.

The high spending in 2011/12 against *Compensation of employees* included staffing costs for the new Regulation Services sub-programme, as well as the costs of liquor inspectorate staff under the Liquor Regulation sub-programme. The slight decrease in 2012/13 can be ascribed to the movement of Liquor Regulation sub-programme staff. The allocation increases steadily over the 2015/16 MTEF.

The high spending in 2011/12 against *Goods and services* was due to costs pertaining to implementing the KZN Consumer Protection Act across the province and set-up costs for the KZNLA. The decrease in 2012/13 is due to expenditure relating to the KZNLA being shifted from this category, to *Transfers and subsidies to: Departmental agencies and accounts* following the establishment and full functioning of this entity. The significant decrease in 2013/14 is largely due to reprioritisation of projects where funds were moved to offset spending pressures in other categories and programmes. This explains the increase in 2014/15, followed by a decrease in the 2014/15 Adjusted Appropriation due to a reprioritisation exercise undertaken to fund projects such as implementation of Industrial Economic Hubs. The reprioritisation was carried through to 2015/16. There is a steady increase over the two outer years of the 2015/16 MTEF.

Transfers and subsidies to: Departmental agencies and accounts comprises transfers to KZNLA. The amount in 2012/13 relates to the entity's set-up costs. The allocation increases in 2014/15 due to once-off additional funding for the entity's operational costs, as well as carry-through funding for the procurement of an IT system. This explains the decrease in 2015/16. This entity receives additional funding from liquor licences revenue to cater for operational costs over the 2015/16 MTEF. The funding for the procurement of an IT system is removed from the department's baseline in 2017/18, accounting for the minimal growth in that year, as mentioned previously.

Service delivery measures – Programme 4: Business Regulation and Governance

Table 4.23 below provides the main service delivery measures pertaining to Programme 4. There are no current generic measures for this sector.

Table 4.23 : Service delivery measures – Programme 4: Business Regulation and Governance

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | |
|---|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 1. Regulation Services | | | | | |
| 1.1 Develop and maintain an efficient regulatory and governance framework | <ul style="list-style-type: none"> No. of municipalities monitored and evaluated with implementation of regulations of barriers identified No. of provincial informal economy policy alignment programmes facilitated No. of liquor authority monitoring reports | 31 11 4 | 31 20 4 | 31 20 4 | 31 20 4 |
| 2. Consumer Protection | | | | | |
| 2.1 Develop and maintain an efficient regulatory and governance framework | <ul style="list-style-type: none"> No. of consumer education programmes conducted No. of inspections conducted No. of complaints resolved No. of review reports published | 1 400 384 90% 1 | 1 450 400 95% 2 | 1 450 400 95% 2 | 1 595 400 95% 2 |
| 3. Liquor Regulation | | | | | |
| 3.1 Develop and maintain an efficient regulatory and governance framework | <ul style="list-style-type: none"> No. of KZNLA monitoring reports (tracking the effectiveness of the KZNLA in regulating the industry) No. of reviews of the legislative framework relating to liquor, consumer and regulation services | 4 3 | 4 4 | 4 4 | 4 4 |

6.5 Programme 5: Economic Planning

The main purpose of this programme is to develop provincial economic policies and strategies to achieve and measure sustainable economic development.

The purpose is also to conduct research proposal relating to changing global trends, and to provide a wide range of information and knowledge that serve as key drivers and to regularly assess the performance of the economy. The sub-programmes consist of Policy and Planning, Research and Development, Knowledge Management and Monitoring and Evaluation.

Tables 4.24 and 4.25 summarise payments and budgeted estimates for the seven-year period 2011/12 to 2017/18.

Table 4.24 : Summary of payments and estimates by sub-programme: Economic Planning

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|------------------------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Policy and Planning | 5 618 | 4 327 | 4 897 | 8 421 | 5 334 | 4 508 | 8 134 | 8 580 | 9 009 |
| 2. Research and Development | 4 768 | 6 227 | 8 538 | 12 325 | 10 742 | 10 409 | 14 912 | 15 748 | 16 535 |
| 3. Knowledge Management | 1 936 | 1 710 | 1 978 | 4 516 | 2 223 | 3 578 | 7 639 | 8 069 | 8 472 |
| 4. Monitoring and Evaluation | 5 980 | 6 282 | 5 153 | 5 899 | 5 978 | 5 132 | 6 797 | 7 192 | 7 552 |
| Total | 18 302 | 18 546 | 20 566 | 31 161 | 24 277 | 23 627 | 37 482 | 39 589 | 41 568 |

Table 4.25 : Summary of payments and estimates by economic classification: Economic Planning

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 18 065 | 18 314 | 20 455 | 30 361 | 23 930 | 22 506 | 37 467 | 39 589 | 41 568 |
| Compensation of employees | 6 608 | 7 543 | 10 538 | 13 252 | 13 063 | 13 372 | 14 840 | 15 789 | 16 578 |
| Goods and services | 11 457 | 10 771 | 9 917 | 17 109 | 10 867 | 9 134 | 22 627 | 23 800 | 24 990 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 50 | 3 | - | - | 266 | 266 | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | 250 | 250 | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 50 | 3 | - | - | 16 | 16 | - | - | - |
| Payments for capital assets | 187 | 229 | 111 | 800 | 81 | 855 | 15 | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 187 | 111 | 111 | - | 81 | 455 | 15 | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | 118 | - | 800 | - | 400 | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 18 302 | 18 546 | 20 566 | 31 161 | 24 277 | 23 627 | 37 482 | 39 589 | 41 568 |

The decrease from 2012/13 against the Policy and Planning sub-programme was largely due to operational costs and appointing staff for this sub-programme. The decrease in the 2014/15 Adjusted Appropriation relates to reprioritisation of R3 million allocated for the job verification exercise which was terminated due to the expanded scope, as well as financial controls implemented on items such as stationery, printing and office supplies. These funds were moved to offset pressures relating to the Industrial Economic Hubs. This accounts for the significant increase in 2015/16. The budget grows steadily over the 2015/16 MTEF.

The increase from 2012/13 against the Research and Development sub-programme largely relates to research projects such as renewable energy research and agro-processing research, etc., as well as staffing of this sub-programme. The decrease in the 2014/15 Adjusted Appropriation was largely due to reprioritisation undertaken from the Renewable Energy Transaction Advisor project to provide for the uMthayi Marula Festival under Programme 6. There is inflationary growth over the 2015/16 MTEF.

The spending against the Knowledge Management sub-programme relates to the operational cost of this programme. The fluctuating trend over the seven-year period is mainly driven by the printing and publications of reports. The decrease in the 2014/15 Adjusted Appropriation was due to implementation of financial controls on items such as travelling and subsistence, consumable supplies, stationery, printing and office supplies where savings were moved to Programme 6 to offset spending pressures brought about by uMthayi Marula Festival. The significant growth over the 2015/16 MTEF is largely ascribed to the University Technology Transfer Partnership project aimed at assisting KZN universities with the identification, prioritisation and resource allocation for the KZN technology transfer initiatives administered by UKZN, UNIZULU, Durban University of Technology and Mangosuthu University of Technology. Also contributing to the increase in growth are operational costs relating to the department's internal resource centre, as well as increased budget for the printing and publications of reports.

The significant decrease in 2013/14 against the Monitoring and Evaluation sub-programme was driven by the reprioritisation of projects undertaken, where funds were moved to address spending pressures in other programmes. The allocation over the 2015/16 MTEF grows steadily. The budget includes funding for the Impact Assessment project to evaluate the department's interventions in order to determine the impact made by the department and its public entities.

The low spending in 2011/12 against *Compensation of employees* was mainly due to staff turnover and the difficulty in filling posts, and funds were reprioritised to *Goods and services* to alleviate spending pressures, to *Transfers and subsidies to: Households* to provide for staff exit costs, and to *Machinery and equipment* to cater for a shortfall in respect of capital equipment. The substantial increase from 2013/14 is attributed to staffing the newly created Policy and Planning and Research and Development sub-programmes. This category grows at a steady rate over the 2015/16 MTEF.

The high spending in 2011/12 against *Goods and services* was due to once-off costs for the finalisation of a number of provincial policies such as the Industrial Development Strategy. The minimal decrease in 2012/13 relates to funds moved to *Compensation of employees* to offset spending pressures in this category. The decrease in 2013/14 can be ascribed to the reprioritisation of projects, where funds were moved to Programmes 1 and 6 to offset spending pressures. This explains the peak in 2014/15, which is followed by a significant decline in the 2014/15 Adjusted Appropriation mainly due to reprioritisation against this category on projects such as the job verification exercise, the Renewable Energy Transaction Advisor project, as well as savings related to financial controls implemented on items such as travelling and subsistence, consumable supplies, stationery, printing and office supplies. These funds were moved to cater for the Industrial Economic Hubs and uMthayi Marula Festival, accounting for significant growth in 2015/16. The budget grows steadily over the 2015/16 MTEF.

The amount of R250 000 against *Transfers and subsidies to: Higher education institutions* relates to a transfer to UKZN to co-ordinate the Manufacturing Survey, which was a follow-up survey from a survey that was conducted in 2002/03 to profile the state of the manufacturing sector. This survey was conducted to analyse the rate of survival within the sector, as well as challenges that manufacturing firms are facing.

The spending from 2011/12 to 2013/14 against *Machinery and equipment* was due to the replacement of redundant equipment. The 2014/15 Revised Estimate reflects high projections as a result of higher than anticipated costs for the replacement of computers.

The spending in 2012/13 against *Software and other intangible assets* relates to GAMS procured for policy analysis. The budget in 2014/15 was to fund Sabinet software subscriptions, but, as a result of delays in acquiring knowledge management software, these funds were moved to cater for the uMthayi Marula Festival. The 2014/15 Revised Estimate reflects an amount of R400 000 against no budget and this can be ascribed to the database knowledge management and the resource centre, which was not anticipated to be procured due to delays in SCM processes. There is no allocation over the 2015/16 MTEF, at this stage.

Service delivery measures – Programme 5: Economic Planning

Table 4.26 illustrates the main service delivery measures pertaining to Programme 5: Economic Planning. There are no current generic measures for this sector. The department reviewed its service delivery

measures for 2015/16, and hence a number of new targets are included. The performance target “New” in the 2014/15 Estimated performance illustrates that the indicator is new from 2015/16 onward.

Table 4.26 : Service delivery measures – Programme 5: Economic Planning

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|--|---|---------------------------|-----------------------|-----------------------|-----------------------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 1. Policy and Planning | | | | | | |
| 1.1 Influence policy direction for economic and infrastructure development | <ul style="list-style-type: none"> No. of policy advocacy reports No. of economic strategies developed No. of strategies implemented No. of policy briefs No. of strategy implementation tracking reports | New 1 1 2 New | 2 - 2 2 1 | 2 1 3 2 2 | 2 - 3 2 3 | |
| 1.2 To be the central source of economic data in the provision of customised economic information to stakeholders in the province | <ul style="list-style-type: none"> No. of publications distributed to stakeholders | 1 | 1 | 1 | 1 | |
| 2. Research and Development | | | | | | |
| 2.1 Provide research on priority sectors | <ul style="list-style-type: none"> No. of research reports No. of economic sector specific studies No. of research and development initiatives supported Clean audit report | 8 4 4 1 | 8 4 5 1 | 8 4 5 1 | 8 4 5 1 | |
| 3. Knowledge Management | | | | | | |
| 3.1 Collect, process, maintain and report on economic and other social data | <ul style="list-style-type: none"> No. of operational integrated statistical database No. of regional integration initiative review reports | 1 1 | 1 1 | 1 1 | 1 1 | |
| 3.2 Track the implementation of economic interventions | <ul style="list-style-type: none"> No. of reports tracking provincial knowledge base indicators No. of reports on the percentage of implementation of economic interventions No. of quarterly economic publications (Ezomnotho) produced Clean audit report | 1 New 4 1 | 4 1 4 1 | 4 2 4 1 | 4 2 4 1 | |
| 4. Monitoring and Evaluation | | | | | | |
| 4.1 To strengthen monitoring and evaluation capabilities for measuring impact of economic development strategies within the department and across its entities | <ul style="list-style-type: none"> No. of impact assessment reports | 5 | 5 | 6 | 6 | |

6.6 Programme 6: Tourism

The main purpose of this programme is to stimulate economic growth through tourism development. This programme comprises three sub-programmes, namely Tourism Planning, Tourism Growth and Development and Tourism Sector Transformation. The objectives are as follows:

- To create an enabling tourism environment through legislation, policy and strategy development.
- To create demand and supply tourism.
- To ensure sustainability and tourism sector transformation.

Tables 4.27 and 4.28 summarise payments and estimates relating to Programme 6 for the period 2011/12 to 2017/18. In terms of the latest uniform budget and programme structure for the Economic Development sector, Tourism was moved from Programme 3 to become a stand-alone programme. Historical figures were restated for comparative purposes. However, it was not possible to restate figures per sub-programme, due to the lack of separate records. This programme includes transfers to KZNSB and TKZN.

As explained, the department is liable for the repayment of over-expenditure from 2013/14, resulting in a first charge of R236 000 against its budget. This is reflected under the sub-programme: Tourism Sector Transformation, and against *Payments for financial assets*. The amount available for spending in 2015/16 has been reduced by R236 000, as reflected in the footnote of Tables 4.27 and 4.28 below.

In 2012/13 and 2013/14, once-off additional funding was received in respect of KZNSB, TKZN, as well as from the Strategic Cabinet Initiatives Fund for various events, such as Volvo European Golf Championship, the BRICS Summit, among others. This explains the decrease in the 2014/15 Main Appropriation. The substantial growth in the 2014/15 Adjusted Appropriation relates to once-off additional funding received from the Strategic Cabinet Initiatives Fund to fund events such as World Amateur Golf Tournament, World Pro-am Golfers Tournament and the Metro FM Awards, accounting for the decrease in 2015/16.

Table 4.27 : Summary of payments and estimates by sub-programme: Tourism

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Tourism Planning | - | - | 3 224 | 13 645 | 8 896 | 9 797 | 7 363 | 7 797 | 8 187 |
| 2. Tourism Growth and Development | 164 485 | 283 320 | 340 340 | 263 552 | 339 343 | 345 477 | 281 045 | 270 479 | 241 256 |
| 3. Tourism Sector Transformation | - | - | 1 687 | 9 476 | 5 476 | 4 822 | 10 363 | 9 305 | 9 772 |
| Total | 164 485 | 283 320 | 345 251 | 286 673 | 353 715 | 360 096 | 298 771 | 287 581 | 259 215 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (236) | - | - |
| Baseline available for spending after 1st charge | 164 485 | 283 320 | 345 251 | 286 673 | 353 715 | 360 096 | 298 535 | 287 581 | 259 215 |

Table 4.28 : Summary of payments and estimates by economic classification: Tourism

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 33 755 | 88 307 | 121 840 | 111 855 | 46 929 | 53 310 | 133 595 | 116 314 | 85 610 |
| Compensation of employees | 4 727 | 7 066 | 9 283 | 16 715 | 9 530 | 10 467 | 13 140 | 13 982 | 14 681 |
| Goods and services | 29 028 | 81 241 | 112 557 | 95 140 | 37 399 | 42 843 | 120 455 | 102 332 | 70 929 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 130 715 | 194 966 | 223 379 | 174 818 | 306 786 | 306 786 | 164 940 | 171 267 | 173 605 |
| Provinces and municipalities | - | 1 291 | 8 162 | 500 | 3 693 | 3 693 | 1 250 | - | - |
| Departmental agencies and accounts | 130 715 | 173 663 | 161 968 | 164 237 | 168 906 | 168 906 | 162 690 | 170 067 | 172 345 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | 19 991 | 53 245 | 1 000 | 134 187 | 134 187 | 1 000 | 1 200 | 1 260 |
| Non-profit institutions | - | - | - | 9 081 | - | - | - | - | - |
| Households | - | 21 | 4 | - | - | - | - | - | - |
| Payments for capital assets | 15 | 47 | 32 | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 15 | 47 | 26 | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | 6 | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | 236 | - | - |
| Total | 164 485 | 283 320 | 345 251 | 286 673 | 353 715 | 360 096 | 298 771 | 287 581 | 259 215 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (236) | - | - |
| Baseline available for spending after 1st charge | 164 485 | 283 320 | 345 251 | 286 673 | 353 715 | 360 096 | 298 535 | 287 581 | 259 215 |

In 2013/14, the sub-programme: Tourism Planning expenditure was low largely due to the reprioritisation of projects, and funds were moved to offset spending pressure under the Tourism Growth and Development sub-programme. Hence, there is a sharp increase in the 2014/15 Main Appropriation. The decrease in the 2014/15 Adjusted Appropriation is attributed to delays in filling posts and these funds were utilised to offset spending pressures relating to projects/events such as the Newcastle Youth seminar, the Vodacom July wrap-up, KZN Winter Airshow and the Top Gear Festival event under the Tourism Growth and Development sub-programme. The decrease in 2015/16 is ascribed to reprioritisation. The two outer years of the 2015/16 MTEF grow at a steady rate.

The sub-programme: Tourism Growth and Development includes transfers to KZNSB and TKZN. The sharp increase in 2012/13 and 2013/14 was due to once-off additional funding from the Strategic Cabinet Initiatives Fund for various events such as SA Women's Golf Championship, the Metro FM Awards, among others. In 2013/14, once-off additional funding was added to KZNSB for the purchase of land in Durban. As mentioned previously, a reprioritisation exercise was carried out in 2013/14 where funds of halted projects were moved from other programmes and categories to fund events, such as KZN Tourism

Train, Urban Music Tour, among others. The increase in the 2014/15 Adjusted Appropriation can be ascribed to additional funding received from the Strategic Cabinet Initiatives Fund for various events such as the Nelson Mandela Golf Tournament, Africa Bike Week and the SA Women's Golf Championship. There were savings attributed to delays in filling posts and these funds were utilised to offset spending pressures relating to tourism related-projects/events including the uMthayi Marula Festival. This explains the significant decrease in growth over the 2015/16 MTEF. The budget in 2015/16 is to cater for the World Routes 2015 which is a once-off event. Hence, there is a decline in growth from 2016/17. The further decrease in 2017/18 is linked to tourism events such as the Top Gear Festival where the department entered into multi-contract which is expected to expire in that year.

The low spending in 2013/14 against the Tourism Sector Transformation sub-programme is attributed to reprioritisation of projects where funds were moved to offset spending pressure relating to projects, among others the Top Gear Festival, and the World Amateur Golf Championship against the sub-programme: Tourism Growth and Development, explaining the significant increase in the 2014/15 Main Appropriation. The decrease in the Adjusted Appropriation was due to delays in filling posts and these funds were utilised to offset spending pressures relating to projects/events, such as uMthayi Marula Festival and the Women's Business Summit. This explains the increase in 2015/16, which also includes funds reprioritised from other programmes to provide for tourism-related projects, which are expected to take place in this year. This explains the decrease in 2016/17.

The low spending in 2011/12 against *Compensation of employees* relates to delays in filling posts, and savings were reprioritised to offset pressures under *Goods and services* in this programme. The increase in 2012/13 can be ascribed to the higher than anticipated wage increase, as well as filling of vacant posts. In the 2014/15 Adjusted Appropriation, there was a decline due to delays in filling of posts, and savings were moved within this programme to other categories, explaining the increasing growth in 2015/16. The allocation over the 2015/16 MTEF grows at a steady rate.

The significant increase from 2012/13 to 2013/14 against *Goods and services* relates to funding of once-off initiatives, such as the Nelson Mandela Golf Tournament, the Volvo Golf Championship, the Metro FM Awards, etc., explaining the decrease in the 2014/15 Main Appropriation. The further decrease in the 2014/15 Adjusted Appropriation is attributed to the shifting of funds relating to partnership funding which was incorrectly classified against this programme instead of *Transfers and subsidies to: Public corporations and private enterprises* from other programmes and categories to fund various projects, such as the Take Me Out Production, the X-Factor Production and the SA India Film Awards. The spike in 2015/16 is ascribed to the reprioritisation undertaken to provide for the World Routes 2015 and MTV Awards. This accounts for the decrease in growth in the two outer years.

The spending in 2012/13 against *Transfers and subsidies to: Provinces and municipalities* relates to the Richards Bay Breakfast and Ingoma Music Festival conducted by the Sakhisizwe Management Agency. These events were held at the uThungulu and Umkhanyakude District Municipalities, respectively. Also included was the once-off expenditure for the Drakensberg cable car, as well as for projects that were reclassified from *Goods and services* to this category, for the revitalisation of Alkantstrand Beach in the uMhlathuze Municipality, for the rehabilitation of South Port Beach in the Hibiscus Coast Municipality and for the Dundee July rural horse racing event held at the Umzinyathi District Municipality. This accounts for the significant decrease in the 2014/15 Main Appropriation. The increase in the 2014/15 Adjusted Appropriation relates to the revitalisation of Dokodweni Beach in the Mandeni Municipality, the rehabilitation of South Port Beach in the Hibiscus Coast Municipality, the Tourism Route Strategy for the Harry Gwala District Municipality, as well as Drakensberg cable car consultations in respect of Okhahlamba District Municipality. The allocation in 2015/16 is to provide for the revitalisation of beaches in the KwaDukuza Municipality and the Dundee July rural horse racing event. There is no allocation over the two outer years of the MTEF, at this stage.

Transfers and subsidies to: Departmental agencies and accounts consists of transfers to TKZN and KZNSB under the Tourism Growth and Development sub-programme. The peak in 2012/13 relates to increased capital requirements of KZNSB, such as replacement of boats, outboard motors and vehicles, as well as projects under TKZN, such as the KZN Summer campaign and East 3 Route. This explains the decrease in 2013/14. The minimal increase in the 2014/15 Adjusted Appropriation can be ascribed to the

promotion and marketing of the World Routes 2015, allocated to TKZN. Funding was reprioritised from Programme 2 to provide for transfer to TKZN for costs incurred as a result of the participation in the 2014 Carnival International De Victoria in the Seychelles, and to KZNSB for hosting the Sharks International Conference. The budget in 2015/16 and 2016/17 includes carry-through for KZNSB for the MISOE operational costs, which fall away in 2017/18. Over the MTEF, the East 3 Route project will no longer be administered by TKZN. As a result, the budget of R18 million was moved to *Goods and services*, since the department will be responsible for this project. This category shows a steady increase over the MTEF.

Transfers in 2012/13 against *Transfers and subsidies to: Public corporations and private enterprises* consist of a number of once-off funds transferred to private enterprises relating to partnership agreements with uMthayi Marula Festival, King Shaka Fashion Festival, Durban Beach Festival and Midmar Music Festival. The high spending in 2013/14 and the spike in the 2014/15 Adjusted Appropriation relates to tourism-related events where the department entered into partnership with various private enterprises. Most of these events were incorrectly classified against *Goods and services* instead of this category, and a shift was undertaken and was formalised in the Adjustments Estimate to reclassify events such as the uMphithi Spring Music Festival, Umlazi Festival and Expo, Urban Music Tour and the SMME Conference. The budget over the 2015/16 MTEF caters for the Tourism Enterprise partnership.

Spending in 2012/13 and 2013/14 against *Transfers and subsidies to: Households* relates to staff exit costs.

The spending in 2011/12 and 2012/13 against *Machinery and equipment* was due to the purchase of capital equipment for the new offices, when the tourism function was transferred to the department from DAC. This explains the decrease in 2013/14. No provision is made over the 2015/16 MTEF.

Spending of R6 000 in 2013/14 against *Software and other intangible assets* relates to the upgrade of computer software licences.

The amount of R236 000 in 2015/16 against *Payments for financial assets* can be ascribed to the first charge relating to 2013/14 unauthorised expenditure, as mentioned previously.

Service delivery measures – Programme 6: Tourism

Table 4.29 illustrates the main service delivery measures pertaining to Programme 6: Tourism. There are no current generic measures for this sector. The performance target “New” in the 2014/15 Estimated performance illustrates that the indicator did not exist in 2014/15, and that it is a new indicator from 2015/16 onward. The department reviewed its service delivery measures for 2015/16, and hence a number of new targets are included.

Table 4.29 : Service delivery measures – Programme: Tourism

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|---|---|-----------------------|---------------------|---------|---------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 1. Tourism Planning | | | | | | |
| 1.1 Co-ordinate social partners and other stakeholders in the province | <ul style="list-style-type: none"> No. of resolutions adopted by social partners and stakeholders Percentage of implementation of resolutions adopted by social partners and other stakeholders | New | 15 | 20 | 20 | |
| | | 90% | 95% | 95% | 95% | |
| 1.2 Provide guidance, support and direction terms of tourism policies, legislation and strategies | <ul style="list-style-type: none"> No. of tourism research, policies strategies and frameworks identified and developed | 3 | 6 | 9 | 9 | |
| 1.3 Establish organisational capacity to enable delivery of mandate through effective financial management, corporate governance, risk management and internal control frameworks | <ul style="list-style-type: none"> Clean audit report | 1 | 1 | 1 | 1 | |
| 2. Tourism Growth and Development | | | | | | |
| 2.1 Implement the KZN tourism master plan | <ul style="list-style-type: none"> No. of interventions implemented No. of tourist guides/tourism businesses registered | New | 5 | 5 | 6 | |
| | | 500 | 500 | 600 | 650 | |

Table 4.29 : Service delivery measures – Programme: Tourism

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|---|---|-----------------------|---------------------|---------|---------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 2.2 Establish organisational capacity to enable delivery of mandate through effective financial management, corporate governance, risk management and internal control frameworks | • Clean audit report | 1 | 1 | 1 | 1 | |
| 3. Tourism Sector Transformation | | | | | | |
| 3.1 Facilitate implementation of economic transformation strategies and policies | • No. of specific interventions implemented | New | 15 | 15 | 15 | |
| 3.2 Establish organisational capacity to enable delivery of mandate through effective financial management, corporate governance, risk management and internal control frameworks | • Clean audit report | 1 | 1 | 1 | 1 | |

6.7 Programme 7: Environmental Affairs

Programme 7 was created in 2014/15 in line with the function shift of Environmental Affairs and Conservation from Vote 3. It is noted that this programme largely conforms to the budget and programme structure for the Environmental Affairs sector. However, the information is given at sub-programme and sub-sub-programme level because of the level of detail required by the sector. It is noted that the department finds it difficult to provide consistent information for all of the sub-sub-programmes prescribed by the sector. As such, the sub-programmes and sub-sub-programmes listed in Table 4.29 are the ones for which reliable information is readily available. This programme aims to ensure effective compliance and governance in respect of environmental management. The strategic objectives are as follows:

- To ensure integrated sustainable environmental planning.
- To mitigate the impact of and manage waste and pollutants.
- To empower communities with regard to sustainable resource utilisation.
- To prevent and control the spread of invasive alien species.

This programme also includes the transfers to EKZNW and SAAMBR. These entities are included in the Environmental Affairs sector structure, specifically under the sub-programme: Biodiversity Management.

Tables 4.30 and 4.31 summarise payments and estimates for Programme 7.

Table 4.30 : Summary of payments and estimates by sub-programme: Environmental Affairs

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Environmental Policy Planning and Co-ordination | 3 069 | 3 311 | 3 666 | 6 140 | 5 273 | 5 273 | 6 466 | 6 810 | 7 150 |
| Intergovt. Co-ordination, Spatial and Dev Planning | 3 069 | 2 717 | 3 666 | 5 167 | 3 393 | 3 393 | 5 417 | 5 705 | 5 990 |
| Climate Change Management | - | 594 | - | 973 | 1 880 | 1 880 | 1 049 | 1 105 | 1 160 |
| Compliance and Enforcement | 29 682 | 28 659 | 32 373 | 34 322 | 29 776 | 29 776 | 35 997 | 37 934 | 39 831 |
| Enviro. Quality Managemt Compliance and Enforcemnt | 29 682 | 28 659 | 32 373 | 34 322 | 29 776 | 29 776 | 35 997 | 37 934 | 39 831 |
| Environmental Quality Management | 27 820 | 47 625 | 27 989 | 46 296 | 45 379 | 45 379 | 48 622 | 51 243 | 53 805 |
| Impact Management | 27 820 | 29 623 | 27 989 | 21 757 | 21 899 | 21 899 | 22 847 | 24 079 | 25 283 |
| Air Quality Management | - | 2 391 | - | 3 571 | 3 839 | 3 839 | 3 751 | 3 953 | 4 151 |
| Pollution and Waste Management | - | 15 611 | - | 20 968 | 19 641 | 19 641 | 22 024 | 23 211 | 24 371 |
| Biodiversity Management | 623 145 | 702 028 | 725 716 | 819 896 | 811 635 | 811 635 | 800 827 | 844 010 | 886 208 |
| Biodiversity and Protected Area Plan. and Managemt | 127 838 | 145 776 | 133 967 | 152 602 | 144 784 | 144 784 | 144 185 | 151 840 | 159 432 |
| Conservation Agencies and Services | 491 317 | 549 893 | 586 522 | 657 895 | 657 895 | 657 895 | 646 819 | 681 825 | 715 916 |
| Coastal Management | 3 990 | 6 359 | 5 227 | 9 399 | 8 956 | 8 956 | 9 823 | 10 345 | 10 860 |
| Environmental Empowerment Services | 32 887 | 31 354 | 32 150 | 27 683 | 39 780 | 39 780 | 29 082 | 30 651 | 32 185 |
| Environmental Capacity Development and Support | 32 887 | 31 354 | 32 150 | 27 683 | 39 780 | 39 780 | 29 082 | 30 651 | 32 185 |
| Environmental Services Support | 1 809 | 1 618 | 1 710 | 2 692 | 2 692 | 2 692 | 2 853 | 3 025 | 3 176 |
| Environmental Services Administrative Support | 1 809 | 1 618 | 1 710 | 2 692 | 2 692 | 2 692 | 2 853 | 3 025 | 3 176 |
| Total payments and estimates | 718 412 | 814 595 | 823 604 | 937 029 | 934 535 | 934 535 | 923 847 | 973 673 | 1 022 355 |

Table 4.31 : Summary of payments and estimates by economic classification: Environmental Affairs

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 220 802 | 246 683 | 229 632 | 270 148 | 265 962 | 265 962 | 267 255 | 281 611 | 295 738 |
| Compensation of employees | 72 830 | 84 711 | 85 697 | 97 298 | 96 597 | 96 597 | 102 355 | 107 958 | 113 354 |
| Goods and services | 147 972 | 161 972 | 143 928 | 172 850 | 169 365 | 169 365 | 164 900 | 173 653 | 182 384 |
| Interest and rent on land | - | - | 7 | - | - | - | - | - | - |
| Transfers and subsidies to: | 496 675 | 555 430 | 592 409 | 664 835 | 665 536 | 665 536 | 654 014 | 689 348 | 723 765 |
| Provinces and municipalities | 900 | 17 | 600 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 |
| Departmental agencies and accounts | 491 317 | 549 893 | 586 522 | 657 895 | 657 895 | 657 895 | 646 819 | 681 825 | 715 916 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 4 390 | 5 000 | 5 227 | 5 940 | 5 940 | 5 940 | 6 195 | 6 523 | 6 849 |
| Households | 68 | 520 | 60 | - | 701 | 701 | - | - | - |
| Payments for capital assets | 935 | 12 482 | 1 563 | 2 046 | 3 037 | 3 037 | 2 578 | 2 714 | 2 852 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 935 | 12 459 | 1 563 | 2 046 | 2 895 | 2 895 | 2 578 | 2 714 | 2 852 |
| Heritage Assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | 23 | - | - | 142 | 142 | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total economic classification | 718 412 | 814 595 | 823 604 | 937 029 | 934 535 | 934 535 | 923 847 | 973 673 | 1 022 355 |

The department found it extremely difficult to report expenditure accurately at the level required, and this accounts for the fluctuating trend across sub-programmes and sub-sub-programmes in 2011/12. Also contributing to the fluctuating trend was the OSD for environmental officers, the internal moratorium on the filling of posts, as well as cost-cutting. In 2011/12, savings resulting from delays in the filling of posts and cost-cutting were moved to the sub-programmes: Environmental Policy Planning and Co-ordination under the sub-sub-programme: Climate Change Management, and Environmental Empowerment Services under the sub-sub-programme: Environmental Capacity Development and Support, to offset spending pressures relating to the events leading up to the COP 17 climate change conference. This accounts for the increase in 2013/14, as well as the decrease in the 2014/15 Main Appropriation. These sub-programmes show steady growth over the 2015/16 MTEF.

The sub-programme: Biodiversity Management houses IASP under the sub-sub-programme: Biodiversity and Protected Area Planning and Management, and the additional funding allocated in this regard (with carry-through costs) accounts for the fluctuation in this sub-programme. The sharp increase in 2012/13 is largely due to additional funding for expanding the department's EPWP job creation initiative. This additional funding was once-off, accounting for the reduction in 2013/14. Also accounting for the decrease in 2013/14 is the reduction in the EPWP Integrated Grant for Provinces. The significant allocation in 2014/15 can be ascribed to the rectification of the EPWP Integrated Grant for Provinces allocation by the NDOPW. The decrease in the 2014/15 Adjusted Appropriation is attributed to reprioritisation undertaken to cater for shortfalls against the sub-programme: Environmental Empowerment Services.

The sub-sub-programme: Conservation Agencies and Services comprises the subsidy paid to EKZNW, reflected against *Transfers and subsidies to: Departmental agencies and accounts*. The annual transfer to EKZNW shows good growth due to the carry-through costs of the annual wage agreements, as well as substantial additional funding allocated for various projects. The 2011/12 amount is high as it includes additional funding for the improved terms and conditions of employment negotiated with organised labour, as well as a once-off amount to enable the entity to reduce its high leave liability. The 2012/13 transfer includes additional funding for protected area expansion and road maintenance (increasing substantially from 2013/14 onward), as well as the Rhino Security Intervention plan. The road maintenance programme progressed much slower than planned, and this resulted in the suspension of unspent and uncommitted funds in 2013/14 with these funds reallocated in 2014/15. This accounts for the decrease in 2015/16. The suspension in 2013/14 was partly offset by a once-off additional allocation for the entity's Rhino Security Intervention plan. This sub-sub-programme shows steady growth over the 2015/16 MTEF to cater for the entity's operational costs and infrastructure maintenance.

The sub-sub programme: Coastal Management includes the grant-in-aid to SAAMBR. This grant-in-aid is reflected under *Transfers and subsidies to: Non-profit institutions* and is transferred to the entity for marine biological research.

Compensation of employees indicates a steady increase over the seven-year period, due to the implementation of the above-mentioned OSD and annual wage agreements. The slight reduction in 2013/14 and the 2014/15 Adjusted Appropriation relates to delays in the filling of posts. Hence, there is significant growth in 2015/16. This category grows at an inflationary rate over the 2015/16 MTEF.

Goods and services fluctuates over the seven-year period, largely due to additional funding for IASP. The increase in 2012/13 is due to once-off additional funding allocated toward expanding the department's EPWP job creation initiative, as well as the further increase in the EPWP Integrated Grant for Provinces allocation. This also explains the decrease in 2013/14. The increase from 2014/15 relates to the EPWP Integrated Grant for Provinces, where the department's allocation in 2013/14 was a mere R550 000 compared to R14.827 million in 2014/15. This was as a result of an incorrect allocation by the NDOPW in 2013/14, which was rectified in 2014/15. There are no allocations for this grant in the two outer years of the MTEF at this stage.

Transfers and subsidies to: Provinces and municipalities reflects transfers to various municipalities in respect of the Greenest Municipality Competition from 2011/12 onward. The significant decrease in 2012/13 was as a result of the Endumeni Municipality not submitting the required business plan. The budget remains constant over the 2015/16 MTEF.

Transfers and subsidies to: Departmental agencies and accounts comprises the subsidy paid to EKZNW, and the trend has been fully explained against the sub-sub-programme Conservation Agencies and Services.

Transfers and subsidies to: Non-profit institutions consists of transfers to WESSA for environmental education programmes and the grant-in-aid to SAAMBR. This category reflects an increasing trend over the period under review. In 2013/14, no transfers were made to WESSA due to technical problems with the banking details of the institution. This category shows healthy growth over the 2015/16 MTEF.

Transfers and subsidies to: Households caters for staff exit costs, which are difficult to predict.

The fluctuations in *Machinery and equipment* are linked to the filling of vacant posts and the related purchase of office and computer equipment. The peak in 2012/13 was due to the increase in the vehicle fleet required for Environmental Affairs. The increase in the 2014/15 Adjusted Appropriation is attributed to higher than anticipated costs of purchasing the required equipment. The budget grows steadily over the 2015/16 MTEF.

Software and other intangible assets largely relates to the purchase of environmental software.

Service delivery measures: Programme 7: Environmental Affairs

Table 4.32 shows the service delivery measures pertaining to Programme 7 which are standardised in terms of the sector. The performance indicators provided largely conform to the customised measures for the Environmental Affairs sector. It is noted that the department reports on only those customised measures that are relevant and quantifiable, but also reports on several measures which are not prescribed by the sector.

Table 4.32 : Service delivery measures – Programme 7: Environmental Affairs

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | |
|---|---|---------------------------|--------------------------|--------------------------|--------------------------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 1. Environmental Policy Planning and Co-ordination | | | | | |
| 1.1 Policy Co-ordination and Environmental Planning | <ul style="list-style-type: none"> No. of intergovernmental sector tools reviewed No. of legislative tools developed No. of environmental research projects undertaken No. of functional environmental information management systems No. of climate change response tools developed | 80 10 11 12 1 | 80 12 2 12 1 | 80 14 3 12 1 | 80 16 4 12 1 |

Table 4.32 : Service delivery measures – Programme 7: Environmental Affairs

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | |
|--|---|-------------------------|-------------------------|--------------------------|--------------------------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 2. Compliance and Enforcement | | | | | |
| 2.1 Compliance and enforcement | <ul style="list-style-type: none"> No. of criminal enforcements actions finalised for non-compliance with environmental management legislation No. of administrative enforcement actions taken for non-compliance with environmental management legislation No. of compliance inspections conducted No. of received S24G applications finalised | 4 370 700 24 | 6 370 750 20 | 8 370 800 20 | 10 390 800 25 |
| 3. Environmental Quality Management | | | | | |
| 3.1 Air Quality Management (AQM) | <ul style="list-style-type: none"> No. of designated state organs with approved AQM plans | 1 | 1 | 1 | 1 |
| 3.2 Impact management | <ul style="list-style-type: none"> No. of EIA finalised within legislated timeframes | 320 | 320 | 320 | 320 |
| 3.3 Pollution and waste management | <ul style="list-style-type: none"> No. of air emissions licence applications finalised within legislated timeframes No. of waste licence applications within legislated timeframes | 1 14 | 1 20 | 1 25 | 1 25 |
| 4. Biodiversity Management | | | | | |
| 4.1 Biodiversity management | <ul style="list-style-type: none"> No. of ha of land under conservation (both private and public) No. of provincial protection areas with approved management plans No. of biodiversity spatial (sector) plans published No. of coastal management programmes adopted | 822 347 30 6 6 | 852 275 36 8 2 | 870 000 40 10 2 | 870 000 40 12 2 |
| 5. Environmental Empowerment Services | | | | | |
| 5.1 Capacity building and support | <ul style="list-style-type: none"> No. of job opportunities created through environmental programmes No. of environmental capacity building activities conducted No. of environmental awareness activities conducted | 16 000 44 1 000 | 16 000 44 1 000 | 20 000 50 1 000 | 20 000 50 1 000 |

7. Other programme information

7.1 Personnel numbers and costs

Tables 4.33 and 4.34 show the approved personnel establishment per programme, the total personnel costs of the department and provides details of the personnel numbers and costs. As Table 4.33 shows, the department employs only full-time personnel, and does not expect any fluctuations over the MTEF. The contract workers reflected in Table 4.34 from 2014/15 onward relate to various posts.

The decrease in 2012/13 against Programmes 2, 3, 5 and 6 is largely ascribed to the moratorium on the filling of non-critical posts, and also difficulty in recruiting suitably qualified candidates. Hence the increase in staff numbers in 2013/14. The significant decline against Programme 4 in staff numbers is due to all the Liquor Regulation staff being transferred to KZNLA.

Provision was made for the filling of all vacant posts in terms of the organisational structure, accounting for the significant increase from 2015/16 onward.

Table 4.33 : Personnel numbers and costs by programme

| 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 | 116 | 125 | 172 | 166 | 177 | 183 | 188 |
| 2. Integrated Economic Development Services | 92 | 90 | 115 | 125 | 136 | 141 | 146 |
| 3. Trade and Sector Development | 25 | 12 | 25 | 18 | 26 | 30 | 32 |
| 4. Business Regulation and Governance | 45 | 31 | 33 | 37 | 38 | 38 | 38 |
| 5. Economic Planning | 9 | 17 | 25 | 28 | 30 | 30 | 30 |
| 6. Tourism | 14 | 22 | 21 | 75 | 81 | 85 | 87 |
| 7. Environmental Affairs | 217 | 270 | 236 | 238 | 238 | 238 | 238 |
| Total | 518 | 567 | 627 | 687 | 726 | 745 | 759 |
| Total personnel cost (R thousand) | 194 742 | 215 531 | 233 977 | 271 629 | 318 426 | 337 774 | 353 315 |
| Unit cost (R thousand) | 376 | 380 | 373 | 395 | 439 | 453 | 466 |

Table 4.34 : Summary of departmental personnel numbers and costs by component

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Total for the department | | | | | | | | | |
| Personnel numbers (head count) | 518 | 567 | 627 | 687 | 687 | 687 | 726 | 745 | 759 |
| Personnel cost (R thousands) | 194 742 | 215 531 | 233 977 | 278 208 | 273 502 | 271 629 | 318 426 | 337 774 | 353 315 |
| Human resources component | | | | | | | | | |
| Personnel numbers (head count) | 29 | 29 | 33 | 33 | 33 | 33 | 33 | 33 | 33 |
| Personnel cost (R thousands) | 10 251 | 11 557 | 12 730 | 15 184 | 15 184 | 15 184 | 15 278 | 16 240 | 17 263 |
| Head count as % of total for department | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 4 | 4 |
| Personnel cost as % of total for department | 5 | 5 | 5 | 5 | 6 | 6 | 5 | 5 | 5 |
| Finance component | | | | | | | | | |
| Personnel numbers (head count) | 25 | 25 | 21 | 25 | 25 | 25 | 25 | 25 | 25 |
| Personnel cost (R thousands) | 7 434 | 7 976 | 9 083 | 12 508 | 12 508 | 12 508 | 13 146 | 13 975 | 14 856 |
| Head count as % of total for department | 5 | 4 | 3 | 4 | 4 | 4 | 3 | 3 | 3 |
| Personnel cost as % of total for department | 4 | 4 | 4 | 4 | 5 | 5 | 4 | 4 | 4 |
| Full time workers | | | | | | | | | |
| Personnel numbers (head count) | 518 | 567 | 627 | 542 | 542 | 542 | 581 | 600 | 614 |
| Personnel cost (R thousands) | 194 742 | 215 531 | 233 977 | 254 328 | 249 622 | 247 749 | 293 018 | 310 765 | 324 604 |
| Head count as % of total for department | 100 | 100 | 100 | 79 | 79 | 79 | 80 | 81 | 81 |
| Personnel cost as % of total for department | 100 | 100 | 100 | 91 | 91 | 91 | 92 | 92 | 92 |
| Part-time workers | | | | | | | | | |
| Personnel numbers (head count) | - | - | - | - | - | - | - | - | - |
| Personnel cost (R thousands) | - | - | - | - | - | - | - | - | - |
| Head count as % of total for department | - | - | - | - | - | - | - | - | - |
| Personnel cost as % of total for department | - | - | - | - | - | - | - | - | - |
| Contract workers | | | | | | | | | |
| Personnel numbers (head count) | - | - | - | 145 | 145 | 145 | 145 | 145 | 145 |
| Personnel cost (R thousands) | - | - | - | 23 880 | 23 880 | 23 880 | 25 408 | 27 009 | 28 711 |
| Head count as % of total for department | - | - | - | 21 | 21 | 21 | 20 | 19 | 19 |
| Personnel cost as % of total for department | - | - | - | 9 | 9 | 9 | 8 | 8 | 8 |

7.2 Training

Table 4.35 below reflects the payments and estimates on training for the seven-year period.

Table 4.35 : Payments on training by programme

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| R thousand | | | | | | | | | |
| 1. Administration | 894 | 208 | 1 588 | 900 | 1 274 | 1 415 | 1 016 | 1 070 | 1 124 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | 894 | 208 | - | 900 | 1 274 | 1 415 | 1 016 | 1 070 | 1 124 |
| Other | - | - | 1 588 | - | - | - | - | - | - |
| 2. Integrated Economic Development Services | 13 427 | 13 509 | - | 100 | - | 30 | 100 | 105 | 116 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | 13 427 | 13 509 | - | 100 | - | 30 | 100 | 105 | 116 |
| Other | - | - | - | - | - | - | - | - | - |
| 3. Trade and Sector Development | - | 78 | - | 1 339 | 879 | 310 | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | 78 | - | 1 339 | 879 | 310 | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| 4. Business Regulation and Governance | 14 | - | - | - | - | - | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | 14 | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| 5. Economic Planning | 15 | - | - | 120 | 321 | 259 | 135 | 142 | 150 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | 15 | - | - | 120 | 321 | 259 | 135 | 142 | 150 |
| Other | - | - | - | - | - | - | - | - | - |
| 6. Tourism | - | 451 | - | - | - | - | 70 | 74 | 78 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | 451 | - | - | - | - | 70 | 74 | 78 |
| Other | - | - | - | - | - | - | - | - | - |
| 7. Environmental Affairs | 766 | 928 | 670 | 2 483 | 2 483 | 2 608 | 2 596 | 2 735 | 2 873 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | 766 | 928 | 670 | 2 483 | 2 483 | 2 608 | 2 596 | 2 735 | 2 873 |
| Total | 15 116 | 15 174 | 2 258 | 4 942 | 4 957 | 4 622 | 3 917 | 4 126 | 4 341 |

The amounts reflected pertain to capacitating and improving the skills of the staff of the department. The department was required to set aside 30 per cent of 1 per cent of the *Compensation of employees*’ budget for training, and pay over to the PSETA in terms of the Skills Development Act. However, in line with National Treasury Circular of 10 July 2014, national departments applied for the creation of a single transfer to PSETA through DPSA.

The substantial increase in 2011/12 and 2012/13 against Programme 2 relates to non-employees’ bursary funds transferred to OTP. The bulk of the training budget is under Programme 7, for capacitating and improving the skills of the Environmental Affairs staff. The amounts against Programme 1 relate to bursary funds for people with disabilities, which are transferred through the Indumezulu Trust.

Table 4.36 provides further information on training analysed into gender and type of training for the seven-year period.

Table 4.36 : Information on training: Economic Development, Tourism and Environmental Affairs

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Number of staff | 518 | 567 | 627 | 687 | 687 | 687 | 726 | 745 | 759 |
| Number of personnel trained | 121 | 121 | 337 | 346 | 346 | 346 | 346 | 346 | 363 |
| of which | | | | | | | | | |
| Male | 50 | 50 | 107 | 137 | 137 | 137 | 137 | 137 | 144 |
| Female | 71 | 71 | 230 | 209 | 209 | 209 | 209 | 209 | 219 |
| Number of training opportunities | 14 | 14 | 90 | 90 | 90 | 90 | 90 | 90 | 95 |
| of which | | | | | | | | | |
| Tertiary | 1 | 1 | 30 | 30 | 30 | 30 | 30 | 30 | 32 |
| Workshops | 1 | 1 | 40 | 40 | 40 | 40 | 40 | 40 | 42 |
| Seminars | - | - | 20 | 20 | 20 | 20 | 20 | 20 | 21 |
| Other | 12 | 12 | - | - | - | - | - | - | - |
| Number of bursaries offered | 12 | 12 | 53 | 56 | 56 | 56 | 56 | 56 | 59 |
| Number of interns appointed | 36 | 36 | 36 | 38 | 38 | 38 | 38 | 38 | 40 |
| Number of learnerships appointed | - | - | 20 | 21 | 21 | 21 | 21 | 21 | 22 |
| Number of days spent on training | 290 | 290 | 200 | 211 | 211 | 211 | 211 | 211 | 222 |

ANNEXURE – VOTE 4: ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

Table 4.A : Details of departmental receipts: Economic Development, Tourism and Environmental Affairs

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|--------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | 465 | 4 927 | 5 110 | 6 015 | 6 015 | 21 609 | 20 086 | 20 745 | 22 280 |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | 465 | 4 927 | 5 110 | 6 015 | 6 015 | 21 609 | 20 086 | 20 745 | 22 280 |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 2 242 | 2 219 | 2 114 | 2 202 | 2 202 | 2 207 | 2 210 | 2 219 | 2 330 |
| Sale of goods and services produced by dept. (excl. capital assets) | 2 019 | 1 967 | 2 076 | 2 202 | 2 202 | 2 207 | 2 210 | 2 219 | 2 330 |
| Sales by market establishments | 2 019 | 1 967 | 1 983 | 2 202 | 2 202 | 2 207 | 2 210 | 2 219 | 2 330 |
| Administrative fees | - | - | 30 | - | - | - | - | - | - |
| Other sales | - | - | 63 | - | - | - | - | - | - |
| Sale of scrap, waste, arms and other used current goods (excl. capital assets) | 223 | 252 | 38 | - | - | - | - | - | - |
| Transfers received from: | - | - | - | - | - | - | - | - | - |
| Other governmental units | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments | - | - | - | - | - | - | - | - | - |
| International organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Households and non-profit institutions | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | 111 | 703 | 1 279 | 500 | 500 | 803 | 500 | 500 | 525 |
| Interest, dividends and rent on land | - | 17 | 3 | 4 | 4 | 29 | 5 | 6 | 6 |
| Interest | - | 1 | 3 | 4 | 4 | 29 | 5 | 6 | 6 |
| Dividends | - | 16 | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | 304 | 411 | 147 | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Other capital assets | 304 | 411 | 147 | - | - | - | - | - | - |
| Transactions in financial assets and liabilities | 342 | 4 905 | 902 | 49 | 49 | 64 | 51 | 54 | 56 |
| Total | 3 464 | 13 182 | 9 555 | 8 770 | 8 770 | 24 712 | 22 852 | 23 524 | 25 198 |

Table 4.B : Payments and estimates by economic classification: Economic Development, Tourism and Environmental Affairs

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| R thousand | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 692 342 | 782 121 | 757 711 | 829 173 | 822 992 | 823 616 | 927 893 | 957 572 | 1 018 516 |
| Compensation of employees | 194 742 | 215 531 | 233 977 | 278 208 | 273 502 | 271 629 | 318 426 | 337 774 | 353 315 |
| Salaries and wages | 170 791 | 190 767 | 206 249 | 242 751 | 243 522 | 260 109 | 277 320 | 294 117 | 307 342 |
| Social contributions | 23 951 | 24 764 | 27 728 | 35 457 | 29 980 | 11 520 | 41 106 | 43 657 | 45 973 |
| Goods and services | 497 600 | 566 590 | 523 727 | 550 965 | 549 490 | 551 987 | 609 467 | 619 798 | 665 201 |
| Administrative fees | 613 | 612 | 546 | 485 | 775 | 3 766 | 1 105 | 1 165 | 1 126 |
| Advertising | 15 948 | 10 948 | 22 637 | 7 889 | 8 983 | 9 008 | 8 515 | 8 966 | 9 447 |
| Assets less than the capitalisation threshold | 2 862 | 1 887 | 1 721 | 2 234 | 3 522 | 3 334 | 3 131 | 3 299 | 3 233 |
| Audit cost: External | 2 504 | 2 279 | 2 586 | 2 996 | 3 142 | 3 582 | 3 102 | 3 267 | 3 477 |
| Bursaries: Employees | 311 | 156 | 113 | 663 | 70 | 85 | 766 | 806 | 846 |
| Catering: Departmental activities | 10 507 | 3 929 | 6 248 | 7 720 | 7 615 | 5 624 | 5 080 | 5 352 | 5 329 |
| Communication (G&S) | 8 908 | 9 332 | 8 669 | 11 885 | 10 482 | 9 891 | 12 146 | 12 793 | 13 192 |
| Computer services | 9 302 | 13 805 | 12 371 | 15 222 | 12 275 | 10 320 | 12 620 | 13 289 | 13 952 |
| Cons & prof serv: Business and advisory services | 163 237 | 195 382 | 174 904 | 211 424 | 221 850 | 226 914 | 291 704 | 286 561 | 299 070 |
| Cons & prof serv: Infras and planning | 155 | 225 | 407 | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | 58 | 58 | 58 | 61 | 64 | 67 |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 883 | 1 069 | 2 133 | 2 289 | 2 087 | 2 310 | 2 344 | 2 469 | 2 592 |
| Contractors | 31 150 | 72 750 | 53 277 | 17 641 | 25 584 | 29 442 | 11 544 | 10 231 | 21 775 |
| Agency and support / outsourced services | 98 647 | 133 186 | 117 646 | 131 083 | 131 249 | 131 249 | 121 592 | 128 047 | 134 449 |
| Entertainment | 4 | - | - | 36 | 26 | 26 | 39 | 41 | 43 |
| Fleet services (incl. govt motor transport) | 2 241 | 2 133 | 2 594 | 1 559 | 2 221 | 2 381 | 1 795 | 1 891 | 1 985 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 250 | - | - | 356 | - | - | - |
| Inventory: Farming supplies | - | - | 4 471 | - | - | 199 | - | - | - |
| Inventory: Food and food supplies | 106 | 70 | - | 42 | 47 | 48 | 44 | 46 | 49 |
| Inventory: Fuel, oil and gas | 18 269 | 3 466 | - | 21 | 21 | 21 | 22 | 23 | 24 |
| Inventory: Learner and teacher support material | 459 | 94 | - | 216 | 216 | 216 | 226 | 238 | 250 |
| Inventory: Materials and supplies | 105 | 165 | 3 | 30 | 30 | 36 | 33 | 35 | 37 |
| Inventory: Medical supplies | 1 005 | - | - | 67 | 67 | 67 | 70 | 74 | 78 |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | 6 | - | - | - |
| Consumable supplies | 2 083 | 2 943 | 1 014 | 9 616 | 10 293 | 9 457 | 9 567 | 10 065 | 10 569 |
| Consumable: Stationery, printing and office supplies | 3 413 | 3 078 | 2 548 | 4 488 | 3 815 | 3 674 | 6 501 | 6 818 | 7 257 |
| Operating leases | 25 270 | 25 022 | 28 031 | 27 315 | 26 918 | 27 385 | 34 348 | 36 168 | 37 867 |
| Property payments | 8 755 | 11 005 | 13 119 | 14 989 | 14 331 | 14 428 | 16 124 | 16 979 | 17 829 |
| Transport provided: Departmental activity | 4 127 | 941 | 2 301 | 4 398 | 4 357 | 4 092 | 4 567 | 4 807 | 5 044 |
| Travel and subsistence | 34 556 | 32 524 | 41 742 | 45 324 | 35 673 | 32 285 | 45 191 | 47 389 | 54 594 |
| Training and development | 15 116 | 15 174 | 2 258 | 4 942 | 4 957 | 4 622 | 3 917 | 4 126 | 4 341 |
| Operating payments | 11 608 | 5 945 | 2 564 | 6 810 | 5 769 | 3 903 | 4 401 | 4 633 | 5 150 |
| Venues and facilities | 23 587 | 16 201 | 11 081 | 17 223 | 10 227 | 9 851 | 8 180 | 8 614 | 10 719 |
| Rental and hiring | 1 869 | 2 269 | 8 493 | 2 300 | 2 830 | 3 351 | 732 | 1 542 | 810 |
| Interest and rent on land | - | - | 7 | - | - | - | - | - | - |
| Interest | - | - | 7 | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 1 529 555 | 1 619 285 | 2 541 637 | 2 048 634 | 2 180 629 | 2 180 631 | 2 038 564 | 2 120 110 | 2 197 974 |
| Provinces and municipalities | 914 | 4 282 | 11 209 | 1 520 | 5 705 | 5 705 | 2 281 | 1 033 | 1 035 |
| Provinces | 14 | 38 | 33 | 20 | 20 | 20 | 31 | 33 | 35 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 14 | 38 | 33 | 20 | 20 | 20 | 31 | 33 | 35 |
| Municipalities | 900 | 4 244 | 11 176 | 1 500 | 5 685 | 5 685 | 2 250 | 1 000 | 1 000 |
| Municipalities | 900 | - | 600 | 1 000 | 1 992 | 1 992 | 1 000 | 1 000 | 1 000 |
| Municipal agencies and funds | - | 4 244 | 10 576 | 500 | 3 693 | 3 693 | 1 250 | - | - |
| Departmental agencies and accounts | 1 132 872 | 1 236 616 | 1 442 896 | 1 607 131 | 1 501 480 | 1 501 481 | 1 550 333 | 1 631 216 | 1 698 686 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 1 132 872 | 1 236 616 | 1 442 896 | 1 607 131 | 1 501 480 | 1 501 481 | 1 550 333 | 1 631 216 | 1 698 686 |
| Higher education institutions | - | - | - | - | 250 | 250 | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 339 636 | 332 109 | 406 835 | 254 170 | 502 456 | 502 456 | 273 947 | 223 907 | 227 702 |
| Public corporations | 280 000 | 249 500 | 300 000 | 185 000 | 279 600 | 279 645 | 149 700 | 148 000 | 148 000 |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | 280 000 | 249 500 | 300 000 | 185 000 | 279 600 | 279 645 | 149 700 | 148 000 | 148 000 |
| Private enterprises | 59 636 | 82 609 | 106 835 | 69 170 | 222 856 | 222 811 | 124 247 | 75 907 | 79 702 |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | 59 636 | 82 609 | 106 835 | 69 170 | 222 856 | 222 811 | 124 247 | 75 907 | 79 702 |
| Non-profit institutions | 45 426 | 38 531 | 669 159 | 171 408 | 156 748 | 156 748 | 201 623 | 253 546 | 259 623 |
| Households | 10 707 | 7 747 | 11 538 | 14 405 | 13 990 | 13 991 | 10 380 | 10 408 | 10 928 |
| Social benefits | 126 | 839 | 134 | - | 805 | 806 | - | - | - |
| Other transfers to households | 10 581 | 6 908 | 11 404 | 14 405 | 13 185 | 13 185 | 10 380 | 10 408 | 10 928 |
| Payments for capital assets | 4 681 | 15 478 | 12 006 | 6 162 | 9 834 | 9 208 | 6 766 | 2 846 | 3 244 |
| Buildings and other fixed structures | - | - | - | - | - | 28 | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | 28 | - | - | - |
| Machinery and equipment | 4 298 | 15 328 | 5 584 | 5 362 | 9 692 | 8 508 | 6 566 | 2 846 | 3 244 |
| Transport equipment | - | 12 270 | - | 650 | 650 | - | - | - | - |
| Other machinery and equipment | 4 298 | 3 058 | 5 584 | 4 712 | 9 042 | 8 508 | 6 566 | 2 846 | 3 244 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 383 | 150 | 6 422 | 800 | 142 | 672 | 200 | - | - |
| Payments for financial assets | 2 | 4 985 | - | - | - | - | 236 | - | - |
| Total | 2 226 580 | 2 421 869 | 3 311 354 | 2 883 969 | 3 013 455 | 3 013 455 | 2 973 459 | 3 080 528 | 3 219 734 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (236) | - | - |
| Baseline available for spending after 1st charge | 2 226 580 | 2 421 869 | 3 311 354 | 2 883 969 | 3 013 455 | 3 013 455 | 2 973 223 | 3 080 528 | 3 219 734 |

Table 4.C : Payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2014/15 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 205 975 | 209 518 | 215 968 | 191 813 | 193 586 | 195 136 | 228 904 | 233 438 | 245 211 |
| Compensation of employees | 49 262 | 54 090 | 61 343 | 70 685 | 75 420 | 73 917 | 96 316 | 102 413 | 107 635 |
| Salaries and wages | 43 401 | 47 722 | 54 293 | 60 943 | 67 357 | 73 917 | 83 689 | 88 978 | 93 530 |
| Social contributions | 5 861 | 6 368 | 7 050 | 9 742 | 8 063 | - | 12 627 | 13 435 | 14 105 |
| Goods and services | 156 713 | 155 428 | 154 625 | 121 128 | 118 166 | 121 219 | 132 588 | 131 025 | 137 576 |
| Administrative fees | 208 | 290 | 155 | 80 | 368 | 3 345 | 576 | 607 | 637 |
| Advertising | 8 431 | 5 930 | 16 195 | 2 747 | 2 547 | 3 367 | 3 179 | 3 348 | 3 515 |
| Assets less than the capitalisation threshold | 409 | 312 | 425 | 319 | 212 | 199 | 754 | 794 | 833 |
| Audit cost: External | 2 468 | 2 253 | 2 586 | 2 598 | 2 744 | 3 224 | 2 728 | 2 873 | 3 017 |
| Bursaries: Employees | 319 | 156 | 121 | 600 | 27 | 42 | 700 | 737 | 774 |
| Catering: Departmental activities | 7 233 | 2 412 | 407 | 1 958 | 1 876 | 827 | 2 102 | 2 214 | 2 324 |
| Communication (G&S) | 5 733 | 6 622 | 6 587 | 8 543 | 7 550 | 7 372 | 8 655 | 9 114 | 9 570 |
| Computer services | 8 641 | 11 674 | 11 601 | 14 054 | 11 282 | 9 328 | 12 011 | 12 648 | 13 280 |
| Cons & prof serv: Business and advisory services | 30 520 | 39 590 | 41 452 | 13 318 | 19 175 | 22 371 | 13 922 | 6 066 | 6 370 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 809 | 998 | 1 871 | 2 160 | 1 953 | 2 176 | 2 210 | 2 328 | 2 444 |
| Contractors | 23 521 | 30 628 | 8 289 | 5 679 | 8 109 | 9 960 | 6 014 | 6 332 | 6 649 |
| Agency and support / outsourced services | 15 | 332 | - | - | - | - | - | - | - |
| Entertainment | 4 | - | - | 15 | 5 | 5 | 17 | 18 | 19 |
| Fleet services (incl. govt motor transport) | 1 477 | 1 578 | 1 923 | 1 500 | 2 162 | 2 319 | 1 733 | 1 825 | 1 916 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 47 | 20 | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 25 | 76 | - | - | - | 2 | - | - | - |
| Inventory: Medical supplies | 9 | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 15 | 43 | 383 | 139 | 455 | 150 | 150 | 158 | 166 |
| Consumable: Stationery, printing and office supplies | 1 706 | 1 350 | 1 101 | 1 897 | 1 876 | 1 438 | 3 913 | 4 121 | 4 327 |
| Operating leases | 24 426 | 24 447 | 27 552 | 26 600 | 26 232 | 24 181 | 33 500 | 35 276 | 37 040 |
| Property payments | 8 570 | 10 822 | 13 055 | 14 780 | 14 122 | 14 219 | 15 906 | 16 749 | 17 587 |
| Transport provided: Departmental activity | 2 394 | 477 | 82 | 907 | 253 | 78 | 972 | 1 023 | 1 074 |
| Travel and subsistence | 10 899 | 9 810 | 16 408 | 15 084 | 12 644 | 11 487 | 16 693 | 17 578 | 18 457 |
| Training and development | 894 | 208 | 1 588 | 900 | 1 274 | 1 415 | 1 016 | 1 070 | 1 124 |
| Operating payments | 4 253 | 1 524 | 554 | 1 166 | 1 726 | 1 687 | 1 584 | 1 668 | 1 751 |
| Venues and facilities | 12 481 | 2 551 | 1 537 | 3 784 | 1 317 | 1 671 | 3 521 | 3 707 | 3 892 |
| Rental and hiring | 1 206 | 1 325 | 753 | 2 300 | 257 | 356 | 732 | 771 | 810 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 499 | 795 | 44 | 20 | 1 351 | 1 353 | 531 | 556 | 584 |
| Provinces and municipalities | 14 | 21 | 33 | 20 | 20 | 20 | 31 | 33 | 35 |
| Provinces | 14 | 21 | 33 | 20 | 20 | 20 | 31 | 33 | 35 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 14 | 21 | 33 | 20 | 20 | 20 | 31 | 33 | 35 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | 546 | 547 | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | 546 | 547 | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | 96 | 96 | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | 96 | 96 | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | 96 | 96 | - | - | - |
| Non-profit institutions | 24 | - | - | - | 129 | 129 | - | - | - |
| Households | 461 | 774 | 11 | - | 560 | 561 | 500 | 523 | 549 |
| Social benefits | - | 153 | 11 | - | 88 | 89 | - | - | - |
| Other transfers to households | 461 | 621 | - | - | 472 | 472 | 500 | 523 | 549 |
| Payments for capital assets | 3 118 | 2 152 | 10 085 | 3 043 | 6 332 | 4 780 | 3 660 | - | - |
| Buildings and other fixed structures | - | - | - | - | - | 28 | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | 28 | - | - | - |
| Machinery and equipment | 2 735 | 2 143 | 3 669 | 3 043 | 6 332 | 4 622 | 3 660 | - | - |
| Transport equipment | - | 1 149 | - | 650 | 650 | - | - | - | - |
| Other machinery and equipment | 2 735 | 994 | 3 669 | 2 393 | 5 682 | 4 622 | 3 660 | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 383 | 9 | 6 416 | - | - | 130 | - | - | - |
| Payments for financial assets | 2 | - | - | - | - | - | - | - | - |
| Total | 209 594 | 212 465 | 226 097 | 194 876 | 201 269 | 201 269 | 233 095 | 233 994 | 245 795 |

Table 4.D : Payments and estimates by economic classification: Integrated Economic Development Services

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|----------------|------------------|----------------|----------------|----------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 136 258 | 142 674 | 116 180 | 147 021 | 202 799 | 197 145 | 167 780 | 148 272 | 205 880 |
| Compensation of employees | 37 454 | 39 437 | 45 606 | 56 646 | 53 212 | 52 123 | 59 230 | 63 021 | 64 726 |
| Salaries and wages | 33 298 | 35 126 | 40 753 | 49 473 | 48 051 | 52 123 | 51 434 | 54 726 | 55 878 |
| Social contributions | 4 156 | 4 311 | 4 853 | 7 173 | 5 161 | - | 7 796 | 8 295 | 8 848 |
| Goods and services | 98 804 | 103 237 | 70 574 | 90 375 | 149 587 | 145 022 | 108 550 | 85 251 | 141 154 |
| Administrative fees | 105 | 86 | 13 | 50 | 59 | 40 | 140 | 148 | 58 |
| Advertising | 856 | 473 | 2 634 | 960 | 2 253 | 1 571 | 798 | 840 | 913 |
| Assets less than the capitalisation threshold | 179 | 86 | 131 | 184 | 170 | 111 | 429 | 452 | 193 |
| Audit cost: External | 36 | 26 | - | 40 | 40 | - | - | - | 46 |
| Bursaries: Employees | (6) | - | (8) | 20 | - | - | 21 | 22 | 23 |
| Catering: Departmental activities | 235 | 200 | 3 440 | 2 505 | 2 717 | 2 857 | 347 | 366 | 93 |
| Communication (G&S) | 1 067 | 803 | 445 | 1 240 | 1 163 | 831 | 1 462 | 1 540 | 1 375 |
| Computer services | 22 | 96 | 187 | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | 68 686 | 75 546 | 27 652 | 60 445 | 119 915 | 120 149 | 95 248 | 70 471 | 109 454 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 47 | 1 | 119 | - | 5 | 5 | - | - | - |
| Contractors | 1 550 | 309 | 15 696 | 1 470 | 3 187 | 2 889 | 100 | 105 | 11 143 |
| Agency and support / outsourced services | - | 3 | 22 | - | 14 | 15 | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 15 | 7 | - | - | 5 | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 10 | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | 6 | - | - | - |
| Consumable supplies | 33 | 259 | 71 | 100 | 948 | 907 | 10 | 11 | 12 |
| Consumable: Stationery, printing and office supplies | 80 | 129 | 21 | 172 | 139 | 82 | 40 | 42 | 142 |
| Operating leases | - | - | - | - | 71 | 106 | 100 | 105 | - |
| Property payments | - | 183 | 64 | - | - | - | - | - | - |
| Transport provided: Departmental activity | 261 | 70 | 1 712 | 100 | 802 | 887 | - | - | - |
| Travel and subsistence | 7 260 | 6 278 | 7 896 | 10 186 | 8 027 | 6 593 | 7 278 | 7 665 | 12 884 |
| Training and development | 13 427 | 13 509 | - | 100 | - | 30 | 100 | 105 | 116 |
| Operating payments | 1 234 | 260 | 218 | 2 598 | 1 582 | 406 | 577 | 607 | 924 |
| Venues and facilities | 3 651 | 4 613 | 3 901 | 10 205 | 6 021 | 4 743 | 1 900 | 2 001 | 3 778 |
| Rental and hiring | 56 | 300 | 6 360 | - | 2 469 | 2 794 | - | 771 | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 291 098 | 259 294 | 957 358 | 294 405 | 358 008 | 358 008 | 254 580 | 289 885 | 290 379 |
| Provinces and municipalities | - | 2 953 | 2 414 | - | 992 | 992 | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | 2 953 | 2 414 | - | 992 | 992 | - | - | - |
| Municipalities | - | - | - | - | 992 | 992 | - | - | - |
| Municipal agencies and funds | - | 2 953 | 2 414 | - | - | - | - | - | - |
| Departmental agencies and accounts | 970 | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 970 | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 280 000 | 249 500 | 323 426 | 185 000 | 289 303 | 289 303 | 149 700 | 148 000 | 148 000 |
| Public corporations | 280 000 | 249 500 | 300 000 | 185 000 | 279 600 | 279 645 | 149 700 | 148 000 | 148 000 |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | 280 000 | 249 500 | 300 000 | 185 000 | 279 600 | 279 645 | 149 700 | 148 000 | 148 000 |
| Private enterprises | - | - | 23 426 | - | 9 703 | 9 658 | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | 23 426 | - | 9 703 | 9 658 | - | - | - |
| Non-profit institutions | - | 531 | 620 102 | 95 000 | 55 000 | 55 000 | 95 000 | 132 000 | 132 000 |
| Households | 10 128 | 6 310 | 11 416 | 14 405 | 12 713 | 12 713 | 9 880 | 9 885 | 10 379 |
| Social benefits | 14 | 23 | 34 | - | - | - | - | - | - |
| Other transfers to households | 10 114 | 6 287 | 11 382 | 14 405 | 12 713 | 12 713 | 9 880 | 9 885 | 10 379 |
| Payments for capital assets | 197 | 405 | 192 | 150 | 246 | 316 | 355 | - | 253 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 197 | 405 | 192 | 150 | 246 | 316 | 155 | - | 253 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 197 | 405 | 192 | 150 | 246 | 316 | 155 | - | 253 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | 200 | - | - |
| Payments for financial assets | - | 4 985 | - | - | - | - | - | - | - |
| Total | 427 553 | 407 358 | 1 073 730 | 441 576 | 561 053 | 555 469 | 422 715 | 438 157 | 496 512 |

Table 4.E : Payments and estimates by economic classification: Trade and Sector Development

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|----------------|----------------|----------------|-----------------------|----------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 40 318 | 46 373 | 29 463 | 45 020 | 59 302 | 61 313 | 59 768 | 99 658 | 103 885 |
| Compensation of employees | 8 239 | 7 532 | 6 639 | 6 364 | 9 031 | 8 257 | 13 630 | 14 502 | 15 227 |
| Salaries and wages | 7 413 | 6 745 | 5 931 | 5 511 | 8 211 | 8 257 | 11 694 | 12 442 | 13 064 |
| Social contributions | 826 | 787 | 708 | 853 | 820 | - | 1 936 | 2 060 | 2 163 |
| Goods and services | 32 079 | 38 841 | 22 824 | 38 656 | 50 271 | 53 056 | 46 138 | 85 156 | 88 658 |
| Administrative fees | 13 | 23 | 283 | 40 | 28 | 29 | 60 | 63 | 66 |
| Advertising | 374 | 1 358 | 1 422 | 609 | 788 | 981 | 1 000 | 1 053 | 1 106 |
| Assets less than the capitalisation threshold | 4 | 11 | 2 | 38 | 13 | 9 | 250 | 264 | 278 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | (2) | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 51 | 55 | 4 | - | 18 | 52 | 70 | 74 | 78 |
| Communication (G&S) | 308 | 192 | 279 | 240 | 207 | 163 | 230 | 243 | 256 |
| Computer services | 3 | 87 | 219 | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | 26 672 | 31 587 | 13 829 | 34 901 | 44 013 | 44 992 | 41 611 | 80 387 | 83 649 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | 112 | - | - | - | - | - | - |
| Contractors | 1 383 | 656 | 1 422 | - | 1 754 | 1 754 | - | - | - |
| Agency and support / outsourced services | - | - | - | - | 8 | 7 | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | 3 | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 19 | 42 | 313 | 12 | 9 | 5 | - | - | - |
| Consumable: Stationery, printing and office supplies | 3 | 13 | 4 | 12 | 6 | - | 20 | 22 | 24 |
| Operating leases | 489 | 356 | - | - | - | 2 294 | - | - | - |
| Property payments | 185 | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 1 706 | 1 615 | 2 474 | 1 421 | 2 441 | 2 352 | 2 667 | 2 808 | 2 947 |
| Training and development | - | 78 | - | 1 339 | 879 | 310 | - | - | - |
| Operating payments | 564 | 55 | 109 | 44 | 49 | 39 | 230 | 242 | 254 |
| Venues and facilities | 227 | 2 653 | 2 352 | - | 58 | 69 | - | - | - |
| Rental and hiring | 80 | 57 | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 610 518 | 553 073 | 724 515 | 837 274 | 771 400 | 771 400 | 897 491 | 898 888 | 937 238 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 509 870 | 457 361 | 650 486 | 707 717 | 596 851 | 596 851 | 673 816 | 709 158 | 738 022 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 509 870 | 457 361 | 650 486 | 707 717 | 596 851 | 596 851 | 673 816 | 709 158 | 738 022 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 59 636 | 62 618 | 30 164 | 68 170 | 78 870 | 78 870 | 123 247 | 74 707 | 78 442 |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | 59 636 | 62 618 | 30 164 | 68 170 | 78 870 | 78 870 | 123 247 | 74 707 | 78 442 |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | 59 636 | 62 618 | 30 164 | 68 170 | 78 870 | 78 870 | 123 247 | 74 707 | 78 442 |
| Non-profit institutions | 41 012 | 33 000 | 43 830 | 61 387 | 95 679 | 95 679 | 100 428 | 115 023 | 120 774 |
| Households | - | 94 | 35 | - | - | - | - | - | - |
| Social benefits | - | 94 | 35 | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 85 | 47 | 14 | - | 15 | 47 | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 85 | 47 | 14 | - | 15 | 47 | - | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 85 | 47 | 14 | - | 15 | 47 | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 650 921 | 599 493 | 753 992 | 882 294 | 830 717 | 832 760 | 957 259 | 998 546 | 1 041 123 |

Table 4.F : Payments and estimates by economic classification: Business Regulation and Governance

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 37 169 | 30 252 | 24 173 | 32 955 | 30 484 | 28 244 | 33 124 | 38 690 | 40 624 |
| Compensation of employees | 15 622 | 15 152 | 14 871 | 17 248 | 16 649 | 16 896 | 18 915 | 20 109 | 21 114 |
| Salaries and wages | 13 578 | 13 266 | 13 051 | 15 124 | 14 606 | 16 896 | 16 213 | 17 237 | 18 099 |
| Social contributions | 2 044 | 1 886 | 1 820 | 2 124 | 2 043 | - | 2 702 | 2 872 | 3 015 |
| Goods and services | 21 547 | 15 100 | 9 302 | 15 707 | 13 835 | 11 348 | 14 209 | 18 581 | 19 510 |
| Administrative fees | 212 | 182 | 9 | - | 4 | 7 | - | - | - |
| Advertising | 3 651 | 2 528 | 1 589 | 2 360 | 2 426 | 1 745 | 2 190 | 2 306 | 2 421 |
| Assets less than the capitalisation threshold | 94 | 155 | 2 | 461 | 226 | 84 | 281 | 296 | 311 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 848 | 627 | 760 | 1 694 | 1 594 | 846 | 1 450 | 1 527 | 1 603 |
| Communication (G&S) | 439 | 421 | 124 | 234 | 294 | 269 | 368 | 388 | 408 |
| Computer services | 428 | 1 778 | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | 7 450 | 8 278 | 1 281 | 5 574 | 1 313 | 801 | 3 100 | 9 016 | 9 467 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 20 | 70 | 31 | - | - | - | - | - | - |
| Contractors | 1 254 | (4 636) | 1 002 | - | 4 164 | 4 063 | 2 088 | 276 | 290 |
| Agency and support / outsourced services | 3 | 21 | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 8 | 8 | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 37 | - | - | - | - | 2 | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 1 | 101 | 43 | 12 | 8 | 7 | 10 | 10 | 10 |
| Consumable: Stationery, printing and office supplies | 379 | 242 | 210 | - | 33 | 30 | 10 | - | - |
| Operating leases | - | - | - | - | - | - | - | - | - |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | 79 | 115 | 387 | 800 | 649 | 735 | 746 | 785 | 824 |
| Travel and subsistence | 2 878 | 2 269 | 1 938 | 3 672 | 2 139 | 2 072 | 3 088 | 3 052 | 3 205 |
| Training and development | 14 | - | - | - | - | - | - | - | - |
| Operating payments | 1 801 | 1 222 | 288 | 410 | 391 | 464 | 428 | 451 | 474 |
| Venues and facilities | 1 424 | 1 151 | 306 | 490 | 490 | 89 | 450 | 474 | 497 |
| Rental and hiring | 527 | 568 | 1 332 | - | 104 | 134 | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | 55 724 | 43 932 | 77 282 | 77 282 | 77 282 | 67 008 | 70 166 | 72 403 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | 55 699 | 43 920 | 77 282 | 77 282 | 77 282 | 67 008 | 70 166 | 72 403 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | 55 699 | 43 920 | 77 282 | 77 282 | 77 282 | 67 008 | 70 166 | 72 403 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | 25 | 12 | - | - | - | - | - | - |
| Social benefits | - | 25 | 12 | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 144 | 116 | 9 | 123 | 123 | 173 | 158 | 132 | 139 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 144 | 116 | 9 | 123 | 123 | 173 | 158 | 132 | 139 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 144 | 116 | 9 | 123 | 123 | 173 | 158 | 132 | 139 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 37 313 | 86 092 | 68 114 | 110 360 | 107 889 | 105 699 | 100 290 | 108 988 | 113 166 |

Table 4.G : Payments and estimates by economic classification: Economic Planning

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 18 065 | 18 314 | 20 455 | 30 361 | 23 930 | 22 506 | 37 467 | 39 589 | 41 568 |
| Compensation of employees | 6 608 | 7 543 | 10 538 | 13 252 | 13 063 | 13 372 | 14 840 | 15 789 | 16 578 |
| Salaries and wages | 6 057 | 6 849 | 9 513 | 11 436 | 11 712 | 13 372 | 12 731 | 13 545 | 14 222 |
| Social contributions | 551 | 694 | 1 025 | 1 816 | 1 351 | - | 2 109 | 2 244 | 2 356 |
| Goods and services | 11 457 | 10 771 | 9 917 | 17 109 | 10 867 | 9 134 | 22 627 | 23 800 | 24 990 |
| Administrative fees | 12 | - | 86 | 1 | - | 5 | 1 | 1 | 1 |
| Advertising | 11 | 51 | 13 | 60 | 10 | 32 | 250 | 263 | 276 |
| Assets less than the capitalisation threshold | 53 | 57 | 501 | 200 | 64 | 94 | 336 | 354 | 372 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 3 | 3 | 55 | 100 | 63 | 41 | 77 | 81 | 85 |
| Communication (G&S) | 121 | 93 | 63 | 206 | 180 | 164 | 126 | 133 | 140 |
| Computer services | 70 | 92 | 364 | 207 | 32 | 31 | - | - | - |
| Cons & prof serv: Business and advisory services | 6 866 | 5 489 | 6 388 | 10 860 | 5 513 | 3 802 | 16 550 | 17 427 | 18 299 |
| Cons & prof serv: Infras and planning | - | 225 | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | - | 1 | 1 | - | - | 34 | - | - | - |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 17 | 14 | - | - | - | 6 | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 11 | 94 | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 8 | - | - | - | - | 2 | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 4 | 1 | 29 | 318 | 23 | 14 | 51 | 45 | 47 |
| Consumable: Stationery, printing and office supplies | 327 | 383 | 22 | 535 | 67 | 149 | 564 | 576 | 605 |
| Operating leases | - | - | - | - | - | - | - | - | - |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 1 120 | 1 091 | 2 014 | 2 052 | 1 544 | 1 483 | 2 319 | 2 442 | 2 565 |
| Training and development | 15 | - | - | 120 | 321 | 259 | 135 | 142 | 150 |
| Operating payments | 2 118 | 1 799 | 361 | 1 480 | 1 683 | 813 | 928 | 977 | 1 025 |
| Venues and facilities | 701 | 1 378 | 20 | 970 | 1 367 | 2 205 | 1 290 | 1 359 | 1 425 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 50 | 3 | - | - | 266 | 266 | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | 250 | 250 | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 50 | 3 | - | - | 16 | 16 | - | - | - |
| Social benefits | 50 | 3 | - | - | 16 | 16 | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 187 | 229 | 111 | 800 | 81 | 855 | 15 | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 187 | 111 | 111 | - | 81 | 455 | 15 | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 187 | 111 | 111 | - | 81 | 455 | 15 | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | 118 | - | 800 | - | 400 | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 18 302 | 18 546 | 20 566 | 31 161 | 24 277 | 23 627 | 37 482 | 39 589 | 41 568 |

Table 4.H : Payments and estimates by economic classification: Tourism

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|-----------------------|---------------------------|---------------------|-----------------------|----------------|----------------|
| R thousand | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 33 755 | 88 307 | 121 840 | 111 855 | 46 929 | 53 310 | 133 595 | 116 314 | 85 610 |
| Compensation of employees | 4 727 | 7 066 | 9 283 | 16 715 | 9 530 | 10 467 | 13 140 | 13 982 | 14 681 |
| Salaries and wages | 4 117 | 6 386 | 8 396 | 14 486 | 8 508 | 10 467 | 11 256 | 11 977 | 12 576 |
| Social contributions | 610 | 680 | 887 | 2 229 | 1 022 | - | 1 884 | 2 005 | 2 105 |
| Goods and services | 29 028 | 81 241 | 112 557 | 95 140 | 37 399 | 42 843 | 120 455 | 102 332 | 70 929 |
| Administrative fees | 35 | - | - | - | 2 | 26 | - | - | - |
| Advertising | 196 | 85 | 287 | 430 | 236 | 589 | 340 | 359 | 380 |
| Assets less than the capitalisation threshold | 7 | 5 | - | - | 5 | 5 | - | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 127 | 35 | 589 | 810 | 694 | 348 | 350 | 369 | 388 |
| Communication (G&S) | 54 | 47 | 29 | 246 | 112 | 116 | 54 | 57 | 60 |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | 21 734 | 34 430 | 83 872 | 81 704 | 28 666 | 31 544 | 116 439 | 98 103 | 66 486 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 2 451 | 41 466 | 25 036 | 7 450 | 5 328 | 8 258 | 160 | 168 | 176 |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 4 | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 20 | - | - | 100 | 15 | 17 | - | - | - |
| Consumable: Stationery, printing and office supplies | 56 | 13 | 19 | 100 | 22 | 28 | 100 | 105 | 110 |
| Operating leases | - | - | - | - | - | - | - | - | - |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | 204 | 230 | 72 | 250 | 512 | 251 | 400 | 421 | 442 |
| Travel and subsistence | 1 846 | 1 864 | 1 430 | 2 400 | 1 731 | 1 276 | 2 162 | 2 276 | 2 389 |
| Training and development | - | 451 | - | - | - | - | 70 | 74 | 78 |
| Operating payments | 896 | 44 | 72 | 850 | 76 | 218 | 380 | 400 | 420 |
| Venues and facilities | 1 398 | 2 552 | 1 142 | 800 | - | 100 | - | - | - |
| Rental and hiring | - | 19 | 9 | - | - | 67 | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 130 715 | 194 966 | 223 379 | 174 818 | 306 786 | 306 786 | 164 940 | 171 267 | 173 605 |
| Provinces and municipalities | - | 1 291 | 8 162 | 500 | 3 693 | 3 693 | 1 250 | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | 1 291 | 8 162 | 500 | 3 693 | 3 693 | 1 250 | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | 1 291 | 8 162 | 500 | 3 693 | 3 693 | 1 250 | - | - |
| Departmental agencies and accounts | 130 715 | 173 663 | 161 968 | 164 237 | 168 906 | 168 906 | 162 690 | 170 067 | 172 345 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 130 715 | 173 663 | 161 968 | 164 237 | 168 906 | 168 906 | 162 690 | 170 067 | 172 345 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | 19 991 | 53 245 | 1 000 | 134 187 | 134 187 | 1 000 | 1 200 | 1 260 |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | 19 991 | 53 245 | 1 000 | 134 187 | 134 187 | 1 000 | 1 200 | 1 260 |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | 19 991 | 53 245 | 1 000 | 134 187 | 134 187 | 1 000 | 1 200 | 1 260 |
| Non-profit institutions | - | - | - | 9 081 | - | - | - | - | - |
| Households | - | 21 | 4 | - | - | - | - | - | - |
| Social benefits | - | 21 | 4 | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 15 | 47 | 32 | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 15 | 47 | 26 | - | - | - | - | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 15 | 47 | 26 | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | 6 | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | 236 | - | - |
| Total | 164 485 | 283 320 | 345 251 | 286 673 | 353 715 | 360 096 | 298 771 | 287 581 | 259 215 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (236) | - | - |
| Baseline available for spending after 1st charge | 164 485 | 283 320 | 345 251 | 286 673 | 353 715 | 360 096 | 298 535 | 287 581 | 259 215 |

Table 4.1 : Payments and estimates by economic classification: Environmental Affairs

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 220 802 | 246 683 | 229 632 | 270 148 | 265 962 | 265 962 | 267 255 | 281 611 | 295 738 |
| Compensation of employees | 72 830 | 84 711 | 85 697 | 97 298 | 96 597 | 96 597 | 102 355 | 107 958 | 113 354 |
| Salaries and wages | 62 927 | 74 673 | 74 312 | 85 778 | 85 077 | 85 077 | 90 303 | 95 212 | 99 973 |
| Social contributions | 9 903 | 10 038 | 11 385 | 11 520 | 11 520 | 11 520 | 12 052 | 12 746 | 13 381 |
| Goods and services | 147 972 | 161 972 | 143 928 | 172 850 | 169 365 | 169 365 | 164 900 | 173 653 | 182 384 |
| Administrative fees | 28 | 31 | - | 314 | 314 | 314 | 328 | 346 | 364 |
| Advertising | 2 429 | 523 | 497 | 723 | 723 | 723 | 758 | 797 | 836 |
| Assets less than the capitalisation threshold | 2 116 | 1 261 | 660 | 1 032 | 2 832 | 2 832 | 1 081 | 1 139 | 1 246 |
| Audit cost: External | - | - | - | 358 | 358 | 358 | 374 | 394 | 414 |
| Bursaries: Employees | - | - | - | 43 | 43 | 43 | 45 | 47 | 49 |
| Catering: Departmental activities | 2 010 | 597 | 993 | 653 | 653 | 653 | 684 | 721 | 758 |
| Communication (G&S) | 1 186 | 1 154 | 1 142 | 1 176 | 976 | 976 | 1 251 | 1 318 | 1 383 |
| Computer services | 138 | 78 | - | 961 | 961 | 961 | 609 | 641 | 672 |
| Cons & prof serv: Business and advisory services | 1 309 | 462 | 430 | 4 622 | 3 255 | 3 255 | 4 834 | 5 091 | 5 345 |
| Cons & prof serv: Infrast and planning | 155 | - | 407 | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | 58 | 58 | 58 | 61 | 64 | 67 |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 7 | - | - | 129 | 129 | 129 | 134 | 141 | 148 |
| Contractors | 991 | 4 326 | 1 831 | 3 042 | 3 042 | 2 484 | 3 182 | 3 350 | 3 517 |
| Agency and support / outsourced services | 98 629 | 132 830 | 117 624 | 131 083 | 131 227 | 131 227 | 121 592 | 128 047 | 134 449 |
| Entertainment | - | - | - | 21 | 21 | 21 | 22 | 23 | 24 |
| Fleet services (incl. govt motor transport) | 764 | 555 | 671 | 59 | 59 | 62 | 62 | 66 | 69 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 250 | - | - | 356 | - | - | - |
| Inventory: Farming supplies | - | - | 4 471 | - | - | 199 | - | - | - |
| Inventory: Food and food supplies | 15 | 18 | - | 42 | 42 | 42 | 44 | 46 | 49 |
| Inventory: Fuel, oil and gas | 18 269 | 3 466 | - | 21 | 21 | 21 | 22 | 23 | 24 |
| Inventory: Learner and teacher support material | 448 | - | - | 216 | 216 | 216 | 226 | 238 | 250 |
| Inventory: Materials and supplies | 25 | 89 | 3 | 30 | 30 | 30 | 33 | 35 | 37 |
| Inventory: Medical supplies | 996 | - | - | 67 | 67 | 67 | 70 | 74 | 78 |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 1 991 | 2 497 | 175 | 8 935 | 8 835 | 8 357 | 9 346 | 9 841 | 10 334 |
| Consumable: Stationery, printing and office supplies | 862 | 948 | 1 171 | 1 772 | 1 672 | 1 947 | 1 854 | 1 952 | 2 049 |
| Operating leases | 355 | 219 | 479 | 715 | 615 | 804 | 748 | 787 | 826 |
| Property payments | - | - | - | 209 | 209 | 209 | 218 | 230 | 242 |
| Transport provided: Departmental activity | 1 189 | 49 | 48 | 2 341 | 2 141 | 2 141 | 2 449 | 2 578 | 2 704 |
| Travel and subsistence | 8 847 | 9 597 | 9 582 | 10 509 | 7 147 | 7 022 | 10 984 | 11 568 | 12 146 |
| Training and development | 766 | 928 | 670 | 2 483 | 2 483 | 2 608 | 2 596 | 2 735 | 2 873 |
| Operating payments | 742 | 1 041 | 962 | 262 | 262 | 276 | 274 | 288 | 302 |
| Venues and facilities | 3 705 | 1 303 | 1 823 | 974 | 974 | 974 | 1 019 | 1 073 | 1 127 |
| Rental and hiring | - | - | 39 | - | - | - | - | - | - |
| Interest and rent on land | - | - | 7 | - | - | - | - | - | - |
| Interest | - | - | 7 | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 496 675 | 555 430 | 592 409 | 664 835 | 665 536 | 665 536 | 654 014 | 689 348 | 723 765 |
| Provinces and municipalities | 900 | 17 | 600 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 |
| Provinces | - | 17 | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | 17 | - | - | - | - | - | - | - |
| Municipalities | 900 | - | 600 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 |
| Municipalities | 900 | - | 600 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 491 317 | 549 893 | 586 522 | 657 895 | 657 895 | 657 895 | 646 819 | 681 825 | 715 916 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 491 317 | 549 893 | 586 522 | 657 895 | 657 895 | 657 895 | 646 819 | 681 825 | 715 916 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 4 390 | 5 000 | 5 227 | 5 940 | 5 940 | 5 940 | 6 195 | 6 523 | 6 849 |
| Households | 68 | 520 | 60 | - | 701 | 701 | - | - | - |
| Social benefits | 62 | 520 | 38 | - | 701 | 701 | - | - | - |
| Other transfers to households | 6 | - | 22 | - | - | - | - | - | - |
| Payments for capital assets | 935 | 12 482 | 1 563 | 2 046 | 3 037 | 3 037 | 2 578 | 2 714 | 2 852 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 935 | 12 459 | 1 563 | 2 046 | 2 895 | 2 895 | 2 578 | 2 714 | 2 852 |
| Transport equipment | - | 11 121 | - | - | - | - | - | - | - |
| Other machinery and equipment | 935 | 1 338 | 1 563 | 2 046 | 2 895 | 2 895 | 2 578 | 2 714 | 2 852 |
| Heritage Assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | 23 | - | - | 142 | 142 | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total economic classification | 718 412 | 814 595 | 823 604 | 937 029 | 934 535 | 934 535 | 923 847 | 973 673 | 1 022 355 |

Table 4.J : Details of payments and estimates by economic classification - Sub-programme: Environmental Policy Planning & Co-ordination

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 2 847 | 3 311 | 3 608 | 6 140 | 5 273 | 5 273 | 6 466 | 6 810 | 7 150 |
| Compensation of employees | 1 835 | 1 924 | 2 001 | 3 354 | 3 354 | 3 354 | 3 521 | 3 710 | 3 896 |
| Salaries and wages | 1 613 | 1 687 | 1 751 | 3 100 | 3 100 | 3 100 | 3 255 | 3 430 | 3 602 |
| Social contributions | 222 | 237 | 250 | 254 | 254 | 254 | 266 | 280 | 294 |
| Goods and services | 1 012 | 1 387 | 1 607 | 2 786 | 1 919 | 1 919 | 2 945 | 3 100 | 3 254 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | - | - | - | 116 | 116 | 116 | 121 | 126 | 132 |
| Minor assets | 50 | - | - | - | - | - | - | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 54 | 35 | 28 | 174 | 174 | 174 | 182 | 192 | 202 |
| Communication (G&S) | 29 | 27 | - | 102 | 102 | 102 | 138 | 145 | 152 |
| Computer services | 138 | 66 | - | 106 | 106 | 106 | 111 | 117 | 122 |
| Cons & prof serv: Business and advisory services | 114 | 133 | - | 915 | 48 | 48 | 957 | 1 008 | 1 058 |
| Cons & prof serv: Infras and planning | 155 | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | - | - | 1 110 | - | - | - | - | - | - |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | 9 | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | - | - | - | - | - | - | - |
| Consumable: Stationery, printing and office supplies | - | 11 | - | 329 | 329 | 329 | 344 | 362 | 380 |
| Operating leases | - | - | - | - | - | - | - | - | - |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 351 | 1 041 | 429 | 960 | 960 | 960 | 1 004 | 1 057 | 1 110 |
| Training and development | - | - | - | - | - | - | - | - | - |
| Operating payments | 44 | 19 | 17 | - | - | - | - | - | - |
| Venues and facilities | 77 | 55 | 14 | 84 | 84 | 84 | 88 | 93 | 98 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | - | - | - | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 222 | - | 58 | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 222 | - | 58 | - | - | - | - | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 222 | - | 58 | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 3 069 | 3 311 | 3 666 | 6 140 | 5 273 | 5 273 | 6 466 | 6 810 | 7 150 |

Table 4.K : Details of payments and estimates by economic classification - Sub-programme: Compliance and Enforcement

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 29 384 | 27 953 | 32 208 | 34 112 | 29 566 | 29 566 | 35 777 | 37 702 | 39 587 |
| Compensation of employees | 24 171 | 23 511 | 28 036 | 27 157 | 26 456 | 26 456 | 28 532 | 30 072 | 31 575 |
| Salaries and wages | 20 996 | 20 343 | 24 294 | 24 028 | 23 327 | 23 327 | 25 259 | 26 625 | 27 956 |
| Social contributions | 3 175 | 3 168 | 3 742 | 3 129 | 3 129 | 3 129 | 3 273 | 3 447 | 3 619 |
| Goods and services | 5 213 | 4 442 | 4 165 | 6 955 | 3 110 | 3 110 | 7 245 | 7 630 | 8 012 |
| Administrative fees | - | - | - | 72 | 72 | 72 | 75 | 80 | 84 |
| Advertising | 63 | 41 | - | 11 | 11 | 11 | 12 | 13 | 14 |
| Minor assets | 36 | 86 | 51 | 396 | 196 | 196 | 414 | 436 | 458 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 282 | 26 | - | 11 | 11 | 11 | 12 | 13 | 14 |
| Communication (G&S) | 584 | 664 | 774 | 332 | 132 | 132 | 337 | 355 | 373 |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | - | - | - | 737 | 237 | 237 | 770 | 811 | 852 |
| Cons & prof serv: Infras and planning | - | - | 250 | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 7 | - | - | 53 | 53 | 53 | 54 | 57 | 60 |
| Contractors | - | 41 | 4 | 60 | 60 | 60 | 62 | 65 | 68 |
| Agency and support / outsourced services | 53 | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | 96 | 38 | 10 | 19 | 19 | 19 | 20 | 21 | 22 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 115 | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | 1 | 1 | 1 | 1 | 1 | 2 |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | 54 | 54 | 54 | 56 | 59 | 62 |
| Inventory: Materials and supplies | - | 1 | 1 | 9 | 9 | 9 | 9 | 9 | 9 |
| Inventory: Medical supplies | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 44 | 266 | 12 | 289 | 189 | 189 | 302 | 318 | 334 |
| Consumable: Stationery, printing and office supplies | 173 | 168 | 122 | 298 | 198 | 198 | 312 | 329 | 345 |
| Operating leases | 138 | 172 | 190 | 295 | 195 | 195 | 309 | 325 | 341 |
| Property payments | - | - | - | 69 | 69 | 69 | 72 | 76 | 80 |
| Transport provided: Departmental activity | 391 | - | - | 512 | 312 | 312 | 536 | 564 | 592 |
| Travel and subsistence | 2 754 | 2 708 | 2 321 | 3 583 | 1 138 | 1 138 | 3 731 | 3 929 | 4 125 |
| Training and development | - | - | 40 | 53 | 53 | 53 | 55 | 58 | 61 |
| Operating payments | 203 | 231 | 271 | 57 | 57 | 57 | 60 | 63 | 66 |
| Venues and facilities | 389 | - | 4 | 43 | 43 | 43 | 45 | 47 | 49 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | 7 | - | - | - | - | - | - |
| Interest | - | - | 7 | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 33 | 446 | 22 | - | - | - | - | - | - |
| Provinces and municipalities | - | 17 | - | - | - | - | - | - | - |
| Provinces | - | 17 | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | 17 | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 33 | 429 | 22 | - | - | - | - | - | - |
| Social benefits | 27 | 429 | - | - | - | - | - | - | - |
| Other transfers to households | 6 | - | 22 | - | - | - | - | - | - |
| Payments for capital assets | 265 | 260 | 143 | 210 | 210 | 210 | 220 | 232 | 244 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 265 | 260 | 143 | 210 | 210 | 210 | 220 | 232 | 244 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 265 | 260 | 143 | 210 | 210 | 210 | 220 | 232 | 244 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 29 682 | 28 659 | 32 373 | 34 322 | 29 776 | 29 776 | 35 997 | 37 934 | 39 831 |

Table 4.L : Details of payments and estimates by economic classification - Sub-programme: Environmental Quality Management

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 26 506 | 35 627 | 26 603 | 43 776 | 42 859 | 42 859 | 45 594 | 48 108 | 50 563 |
| Compensation of employees | 19 575 | 32 181 | 22 878 | 32 388 | 32 388 | 32 388 | 34 076 | 35 979 | 37 778 |
| Salaries and wages | 16 816 | 29 252 | 19 776 | 28 302 | 28 302 | 28 302 | 29 802 | 31 425 | 32 996 |
| Social contributions | 2 759 | 2 929 | 3 102 | 4 086 | 4 086 | 4 086 | 4 274 | 4 554 | 4 782 |
| Goods and services | 6 931 | 3 446 | 3 725 | 11 388 | 10 471 | 10 471 | 11 518 | 12 129 | 12 785 |
| Administrative fees | 28 | 30 | - | 146 | 146 | 146 | 153 | 161 | 169 |
| Advertising | 845 | - | - | 164 | 164 | 164 | 172 | 181 | 190 |
| Minor assets | 23 | 145 | 84 | 38 | 38 | 38 | 40 | 42 | 94 |
| Audit cost: External | - | - | - | 358 | 358 | 358 | 374 | 394 | 414 |
| Bursaries: Employees | - | - | - | 43 | 43 | 43 | 45 | 47 | 49 |
| Catering: Departmental activities | 24 | 32 | 49 | 81 | 81 | 81 | 85 | 90 | 95 |
| Communication (G&S) | 256 | 117 | - | 137 | 137 | 137 | 143 | 151 | 159 |
| Computer services | - | 12 | - | 855 | 855 | 855 | 498 | 524 | 550 |
| Cons & prof serv: Business and advisory services | 824 | - | 202 | 1 493 | 1 493 | 1 493 | 1 562 | 1 645 | 1 727 |
| Cons & prof serv: Infras and planning | - | - | 157 | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | 58 | 58 | 58 | 61 | 64 | 67 |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | 76 | 76 | 76 | 80 | 84 | 88 |
| Contractors | 131 | 667 | 57 | 598 | 598 | 598 | 626 | 659 | 692 |
| Agency and support / outsourced services | 516 | 55 | - | 398 | 398 | 398 | 416 | 438 | 460 |
| Entertainment | - | - | - | 21 | 21 | 21 | 22 | 23 | 24 |
| Fleet services (incl. govt motor transport) | 4 | 6 | 3 | 25 | 25 | 25 | 26 | 27 | 28 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 72 | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | 65 | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | 21 | 21 | 21 | 22 | 23 | 24 |
| Inventory: Learner and teacher support material | - | - | - | 15 | 15 | 15 | 16 | 17 | 18 |
| Inventory: Materials and supplies | 3 | - | - | 12 | 12 | 12 | 13 | 14 | 15 |
| Inventory: Medical supplies | - | - | - | 66 | 66 | 66 | 69 | 73 | 77 |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 14 | 421 | 14 | 394 | 394 | 394 | 412 | 434 | 456 |
| Consumable: Stationery, printing and office supplies | 165 | 160 | 147 | 304 | 304 | 304 | 318 | 335 | 352 |
| Operating leases | - | - | 3 | 337 | 337 | 337 | 353 | 372 | 391 |
| Property payments | - | - | - | 140 | 140 | 140 | 146 | 154 | 162 |
| Transport provided: Departmental activity | 65 | - | - | 1 829 | 1 829 | 1 829 | 1 913 | 2 014 | 2 112 |
| Travel and subsistence | 1 602 | 1 303 | 2 181 | 1 449 | 532 | 532 | 1 516 | 1 596 | 1 676 |
| Training and development | 68 | - | - | 1 922 | 1 922 | 1 922 | 2 010 | 2 117 | 2 223 |
| Operating payments | 230 | 241 | 329 | 71 | 71 | 71 | 74 | 78 | 82 |
| Venues and facilities | 2 133 | 257 | 362 | 337 | 337 | 337 | 353 | 372 | 391 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 914 | 67 | 638 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 |
| Provinces and municipalities | 900 | - | 600 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | 900 | - | 600 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 |
| Municipalities | 900 | - | 600 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 14 | 67 | 38 | - | - | - | - | - | - |
| Social benefits | 14 | 67 | 38 | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 400 | 11 931 | 748 | 1 520 | 1 520 | 1 520 | 2 028 | 2 135 | 2 242 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 400 | 11 931 | 748 | 1 520 | 1 520 | 1 520 | 2 028 | 2 135 | 2 242 |
| Transport equipment | - | 11 121 | - | - | - | - | - | - | - |
| Other machinery and equipment | 400 | 810 | 748 | 1 520 | 1 520 | 1 520 | 2 028 | 2 135 | 2 242 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 27 820 | 47 625 | 27 989 | 46 296 | 45 379 | 45 379 | 48 622 | 51 243 | 53 805 |

Table 4.M : Details of payments and estimates by economic classification - Sub-programme: Biodiversity Management

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 127 794 | 147 285 | 133 389 | 156 355 | 148 094 | 148 094 | 148 103 | 155 967 | 163 763 |
| Compensation of employees | 8 964 | 8 664 | 10 937 | 13 357 | 13 357 | 13 357 | 14 037 | 14 795 | 15 533 |
| Salaries and wages | 7 813 | 7 509 | 9 504 | 12 109 | 12 109 | 12 109 | 12 732 | 13 421 | 14 092 |
| Social contributions | 1 151 | 1 155 | 1 433 | 1 248 | 1 248 | 1 248 | 1 305 | 1 374 | 1 441 |
| Goods and services | 118 830 | 138 621 | 122 452 | 142 998 | 134 737 | 134 737 | 134 066 | 141 172 | 148 230 |
| Administrative fees | - | 1 | - | 32 | 32 | 32 | 33 | 34 | 36 |
| Advertising | 14 | 12 | 19 | 26 | 26 | 26 | 27 | 28 | 29 |
| Minor assets | 1 419 | 984 | 405 | 195 | 195 | 195 | 204 | 215 | 226 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 63 | 19 | 17 | - | - | - | - | - | - |
| Communication (G&S) | 263 | 285 | 342 | 50 | 50 | 50 | 52 | 55 | 57 |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | 371 | 329 | 228 | 1 477 | 1 477 | 1 477 | 1 545 | 1 627 | 1 708 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 471 | 3 618 | 615 | 2 321 | 2 321 | 1 763 | 2 428 | 2 557 | 2 685 |
| Agency and support / outsourced services | 92 908 | 125 667 | 113 873 | 130 175 | 121 914 | 121 914 | 120 654 | 127 049 | 133 401 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | 658 | 491 | 649 | - | - | 3 | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 40 | - | - | 356 | - | - | - |
| Inventory: Farming supplies | - | - | 3 199 | - | - | 199 | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 18 269 | 3 466 | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 22 | 85 | - | 9 | 9 | 9 | 11 | 12 | 13 |
| Inventory: Medical supplies | 176 | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 1 933 | 1 070 | 74 | 6 495 | 6 495 | 6 017 | 6 794 | 7 154 | 7 512 |
| Consumable: Stationery, printing and office supplies | 102 | 156 | 540 | 212 | 212 | 487 | 222 | 234 | 246 |
| Operating leases | 16 | 31 | 260 | 32 | 32 | 221 | 33 | 35 | 37 |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 1 664 | 1 413 | 1 512 | 1 874 | 1 874 | 1 749 | 1 959 | 2 063 | 2 166 |
| Training and development | 338 | 928 | 630 | 26 | 26 | 151 | 27 | 28 | 29 |
| Operating payments | 142 | 19 | 49 | 74 | 74 | 88 | 77 | 81 | 85 |
| Venues and facilities | 1 | 47 | - | - | - | - | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 495 328 | 554 514 | 591 749 | 663 435 | 663 435 | 663 435 | 652 614 | 687 927 | 722 323 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 491 317 | 549 893 | 586 522 | 657 895 | 657 895 | 657 895 | 646 819 | 681 825 | 715 916 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | 491 317 | 549 893 | 586 522 | 657 895 | 657 895 | 657 895 | 646 819 | 681 825 | 715 916 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 3 990 | 4 600 | 5 227 | 5 540 | 5 540 | 5 540 | 5 795 | 6 102 | 6 407 |
| Households | 21 | 21 | - | - | - | - | - | - | - |
| Social benefits | 21 | 21 | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 23 | 229 | 578 | 106 | 106 | 106 | 110 | 116 | 122 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 23 | 206 | 578 | 106 | 106 | 106 | 110 | 116 | 122 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 23 | 206 | 578 | 106 | 106 | 106 | 110 | 116 | 122 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | 23 | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 623 145 | 702 028 | 725 716 | 819 896 | 811 635 | 811 635 | 800 827 | 844 010 | 886 208 |

Table 4.N : Details of payments and estimates by economic classification - Sub-programme: Environmental Empowerment Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 32 462 | 30 917 | 32 129 | 27 073 | 37 478 | 37 478 | 28 462 | 29 999 | 31 499 |
| Compensation of employees | 17 096 | 17 230 | 20 548 | 19 576 | 19 576 | 19 576 | 20 617 | 21 738 | 22 825 |
| Salaries and wages | 14 637 | 14 828 | 17 826 | 16 941 | 16 941 | 16 941 | 17 861 | 18 835 | 19 777 |
| Social contributions | 2 459 | 2 402 | 2 722 | 2 635 | 2 635 | 2 635 | 2 756 | 2 903 | 3 048 |
| Goods and services | 15 366 | 13 687 | 11 581 | 7 497 | 17 902 | 17 902 | 7 845 | 8 261 | 8 674 |
| Administrative fees | - | - | - | 64 | 64 | 64 | 67 | 71 | 75 |
| Advertising | 1 507 | 470 | 478 | 346 | 346 | 346 | 362 | 381 | 400 |
| Minor assets | 588 | 44 | 120 | 222 | 2 222 | 2 222 | 232 | 244 | 256 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 1 587 | 485 | 877 | 387 | 387 | 387 | 405 | 426 | 447 |
| Communication (G&S) | 29 | 27 | - | 529 | 529 | 529 | 553 | 583 | 612 |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 389 | - | 45 | 63 | 63 | 63 | 66 | 69 | 72 |
| Agency and support / outsourced services | 4 671 | 7 108 | 3 751 | - | 8 405 | 8 405 | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | 6 | 20 | - | 15 | 15 | 15 | 16 | 18 | 19 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 23 | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | 1 207 | - | - | - | - | - | - |
| Inventory: Food and food supplies | 15 | 18 | - | 41 | 41 | 41 | 43 | 45 | 47 |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 448 | - | - | 147 | 147 | 147 | 154 | 162 | 170 |
| Inventory: Materials and supplies | - | 3 | 2 | - | - | - | - | - | - |
| Inventory: Medical supplies | 820 | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | 740 | 75 | 1 757 | 1 757 | 1 757 | 1 838 | 1 935 | 2 032 |
| Consumable: Stationery, printing and office supplies | 420 | 437 | 353 | 621 | 621 | 621 | 650 | 684 | 718 |
| Operating leases | 193 | - | 6 | 25 | 25 | 25 | 26 | 27 | 28 |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | 733 | 49 | 48 | - | - | - | - | - | - |
| Travel and subsistence | 2 372 | 2 811 | 2 818 | 2 228 | 2 228 | 2 228 | 2 333 | 2 457 | 2 580 |
| Training and development | 360 | - | - | 482 | 482 | 482 | 504 | 532 | 560 |
| Operating payments | 123 | 531 | 296 | 60 | 60 | 60 | 63 | 66 | 69 |
| Venues and facilities | 1 105 | 944 | 1 443 | 510 | 510 | 510 | 533 | 561 | 589 |
| Rental and hiring | - | - | 39 | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 400 | 403 | - | 400 | 1 101 | 1 101 | 400 | 421 | 442 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 400 | 400 | - | 400 | 400 | 400 | 400 | 421 | 442 |
| Households | - | 3 | - | - | 701 | 701 | - | - | - |
| Social benefits | - | 3 | - | - | 701 | 701 | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 25 | 34 | 21 | 210 | 1 059 | 1 059 | 220 | 231 | 244 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 25 | 34 | 21 | 210 | 1 059 | 1 059 | 220 | 231 | 244 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 25 | 34 | 21 | 210 | 1 059 | 1 059 | 220 | 231 | 244 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | 142 | 142 | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 32 887 | 31 354 | 32 150 | 27 683 | 39 780 | 39 780 | 29 082 | 30 651 | 32 185 |

Table 4.0 : Details of payments and estimates by economic classification - Sub-programme: Environmental Services Support

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 1 809 | 1 590 | 1 695 | 2 692 | 2 692 | 2 692 | 2 853 | 3 025 | 3 176 |
| Compensation of employees | 1 189 | 1 201 | 1 297 | 1 466 | 1 466 | 1 466 | 1 572 | 1 664 | 1 747 |
| Salaries and wages | 1 052 | 1 054 | 1 161 | 1 298 | 1 298 | 1 298 | 1 394 | 1 476 | 1 550 |
| Social contributions | 137 | 147 | 136 | 168 | 168 | 168 | 178 | 188 | 197 |
| Goods and services | 620 | 389 | 398 | 1 226 | 1 226 | 1 226 | 1 281 | 1 361 | 1 429 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | - | - | - | 60 | 60 | 60 | 64 | 68 | 71 |
| Minor assets | - | 2 | - | 181 | 181 | 181 | 191 | 202 | 212 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | - | 22 | - | - | - | - | - | - |
| Communication (G&S) | 25 | 34 | 26 | 26 | 26 | 26 | 28 | 29 | 30 |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | - | - | - | - | - | - | - | - | - |
| Agency and support / outsourced services | 481 | - | - | 510 | 510 | 510 | 522 | 560 | 588 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | - | - | - | - | - | - | - |
| Consumable: Stationery, printing and office supplies | 2 | 16 | 9 | 8 | 8 | 8 | 8 | 8 | 8 |
| Operating leases | 8 | 16 | 20 | 26 | 26 | 26 | 27 | 28 | 30 |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 104 | 321 | 321 | 415 | 415 | 415 | 441 | 466 | 490 |
| Training and development | - | - | - | - | - | - | - | - | - |
| Operating payments | - | - | - | - | - | - | - | - | - |
| Venues and facilities | - | - | - | - | - | - | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | - | - | - | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | 28 | 15 | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | 28 | 15 | - | - | - | - | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | 28 | 15 | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 1 809 | 1 618 | 1 710 | 2 692 | 2 692 | 2 692 | 2 853 | 3 025 | 3 176 |

Table 4.P : Payments and estimates by economic classification: Conditional grants - EPWP Integrated Grant for Provinces

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|---------------|------------|---------------|---------------|---------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 8 316 | 10 708 | 550 | 16 827 | 16 827 | 16 827 | 8 162 | - | - |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Salaries and wages | - | - | - | - | - | - | - | - | - |
| Social contributions | - | - | - | - | - | - | - | - | - |
| Goods and services | 8 316 | 10 708 | 550 | 16 827 | 16 827 | 16 827 | 8 162 | - | - |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | - | - | - | - | - | - | - | - | - |
| Assets less than the capitalisation threshold | - | - | - | - | - | - | - | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | - | - | - | - | - | - | - | - |
| Communication (G&S) | - | - | - | - | - | - | - | - | - |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | 8 316 | 10 708 | 550 | 16 827 | 16 827 | 16 827 | 8 162 | - | - |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | - | - | - | - | - | - | - | - | - |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | - | - | - | - | - | - | - |
| Consumable: Stationery, printing and office supplies | - | - | - | - | - | - | - | - | - |
| Operating leases | - | - | - | - | - | - | - | - | - |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | - | - | - | - | - | - | - | - | - |
| Training and development | - | - | - | - | - | - | - | - | - |
| Operating payments | - | - | - | - | - | - | - | - | - |
| Venues and facilities | - | - | - | - | - | - | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | - | - | - | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 8 316 | 10 708 | 550 | 16 827 | 16 827 | 16 827 | 8 162 | - | - |

Table 4.Q : Economic Development, Tourism and Environmental Affairs - Payments of infrastructure by category

| Table 4-4 : Economic development, tourism and environmental assets - Type and infrastructure by category | | | | | | | | | | | | | | |
|--|-----------------------|--|-------|------------------|---------------|-------------------|-----------------------|-------------------------------------|--------------------|---|-----------------|----------------|------------------------|----------------|
| Project name | Municipality / Region | Type of infrastructure | | Project duration | | Source of funding | Budget programme name | Targeted number of jobs for 2015/16 | Total project cost | Expenditure to date from previous years | Total available | | MTEF Forward estimates | |
| | | School - primary/ secondary/ specialised; admin block; water; electricity; sanitation/toilet; fencing etc. | Units | Date: Start | Date: Finish | | | | | | 2015/16 | 2016/17 | 2017/18 | |
| R thousands | | | | | | | | | | | | | | |
| Existing infrastructure assets | | | | | | | | | | | | | | |
| <i>of which:</i> | | | | | | | | | | | | | | |
| Maintenance and repair: Current | | | | | | | | - | - | - | - | - | - | - |
| Upgrades and additions: Capital | | | | | | | | - | - | - | - | - | - | - |
| Refurbishment and rehabilitation: Capital | | | | | | | | - | - | - | - | - | - | - |
| New infrastructure assets: Capital | | | | | | | | | | | | | | |
| Infrastructure transfers | | | | | | | | | | | | | | |
| <i>of which:</i> | | | | | | | | | | | | | | |
| Infrastructure transfers: Current | | | | | | | | - | - | - | - | - | - | - |
| Infrastructure transfers: Capital | | | | | | | | - | - | - | - | - | - | - |
| Richards Bay IDZ | uThungulu | Richards Bay IDZ | 1 | 01 April 2010 | 31 March 2050 | Equitable share | Programme 3 | - | - | - | 110 947 | 74 707 | 78 442 | 78 442 |
| Dube TradePort | eThekweni | Dube TradePort | 1 | 01 April 2006 | 31 March 2060 | Equitable share | Programme 3 | - | - | - | 549 068 | 578 169 | 607 077 | 607 077 |
| Infrastructure: Payments for financial assets | | | | | | | | | | | | | | |
| Infrastructure: Leases | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | |
| Capital infrastructure | | | | | | | | - | - | - | 660 015 | 652 876 | 685 519 | 685 519 |
| Current infrastructure | | | | | | | | - | - | - | 660 015 | 652 876 | 685 519 | 685 519 |

Table 4.R : Summary of transfers to local government - Greenest Municipality Competition and Beaches Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|---------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | - | - | - | 992 | 992 | - | - | - |
| Total: Ugu Municipalities | 100 | - | 3 000 | - | 300 | 300 | - | - | - |
| B KZN211 Vulamehlo | - | - | - | - | - | - | - | - | - |
| B KZN212 Umdoni | 100 | - | - | - | - | - | - | - | - |
| B KZN213 Umzumbe | - | - | - | - | - | - | - | - | - |
| B KZN214 uMuziwabantu | - | - | - | - | - | - | - | - | - |
| B KZN215 Ezinqoleni | - | - | - | - | - | - | - | - | - |
| B KZN216 Hibiscus Coast | - | - | 3 000 | - | 300 | 300 | - | - | - |
| C DC21 Ugu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN221 uMshwathi | - | - | - | - | - | - | - | - | - |
| B KZN222 uMngeni | - | - | - | - | - | - | - | - | - |
| B KZN223 Mpofana | - | - | - | - | - | - | - | - | - |
| B KZN224 Impendle | - | - | - | - | - | - | - | - | - |
| B KZN225 Msunduzi | - | - | - | - | - | - | - | - | - |
| B KZN226 Mkhambathini | - | - | - | - | - | - | - | - | - |
| B KZN227 Richmond | - | - | - | - | - | - | - | - | - |
| C DC22 uMgungundlovu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Uthukela Municipalities | - | - | 4 183 | - | 1 793 | 1 793 | - | - | - |
| B KZN232 Emnambithi/Ladysmith | - | - | - | - | - | - | - | - | - |
| B KZN233 Indaka | - | - | - | - | - | - | - | - | - |
| B KZN234 Umtshezi | - | - | - | - | - | - | - | - | - |
| B KZN235 Okhahlamba | - | - | 4 183 | - | 1 793 | 1 793 | - | - | - |
| B KZN236 Imbabazane | - | - | - | - | - | - | - | - | - |
| C DC23 Uthukela District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | - | - | 479 | 500 | 500 | 500 | 250 | - | - |
| B KZN241 Endumeni | - | - | - | - | - | - | - | - | - |
| B KZN242 Nqutu | - | - | - | - | - | - | - | - | - |
| B KZN244 Msinga | - | - | - | - | - | - | - | - | - |
| B KZN245 Umvoti | - | - | - | - | - | - | - | - | - |
| C DC24 Umzinyathi District Municipality | - | - | 479 | 500 | 500 | 500 | 250 | - | - |
| Total: Amajuba Municipalities | 400 | - | 400 | - | - | - | - | - | - |
| B KZN252 Newcastle | 400 | - | 400 | - | - | - | - | - | - |
| B KZN253 eMadlangeni | - | - | - | - | - | - | - | - | - |
| B KZN254 Dannhauser | - | - | - | - | - | - | - | - | - |
| C DC25 Amajuba District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN261 eDumbe | - | - | - | - | - | - | - | - | - |
| B KZN262 uPhongolo | - | - | - | - | - | - | - | - | - |
| B KZN263 Abaqulusi | - | - | - | - | - | - | - | - | - |
| B KZN265 Nongoma | - | - | - | - | - | - | - | - | - |
| B KZN266 Ulundi | - | - | - | - | - | - | - | - | - |
| C DC26 Zululand District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Umkhanyakude Municipalities | - | 981 | - | - | - | - | - | - | - |
| B KZN271 Umhlabuyalingana | - | - | - | - | - | - | - | - | - |
| B KZN272 Jozini | - | - | - | - | - | - | - | - | - |
| B KZN273 The Big 5 False Bay | - | - | - | - | - | - | - | - | - |
| B KZN274 Hlabisa | - | - | - | - | - | - | - | - | - |
| B KZN275 Mtubatuba | - | - | - | - | - | - | - | - | - |
| C DC27 Umkhanyakude District Municipality | - | 981 | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | 400 | 2 755 | 400 | - | - | - | - | - | - |
| B KZN281 Umfolozi | - | - | - | - | - | - | - | - | - |
| B KZN282 uMhlathuze | - | - | 400 | - | - | - | - | - | - |
| B KZN283 Ntambanana | - | 310 | - | - | - | - | - | - | - |
| B KZN284 uMlalazi | 400 | - | - | - | - | - | - | - | - |
| B KZN285 Mthonjaneni | - | 2 445 | - | - | - | - | - | - | - |
| B KZN286 Nkandla | - | - | - | - | - | - | - | - | - |
| C DC28 uThungulu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Ilembe Municipalities | - | 508 | 2 514 | - | 600 | 600 | 1 000 | - | - |
| B KZN291 Mandeni | - | 508 | 2 414 | - | 600 | 600 | - | - | - |
| B KZN292 KwaDukuza | - | - | - | - | - | - | 1 000 | - | - |
| B KZN293 Ndwedwe | - | - | - | - | - | - | - | - | - |
| B KZN294 Maphumulo | - | - | 100 | - | - | - | - | - | - |
| C DC29 Ilembe District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | - | 100 | - | 500 | 500 | - | - | - |
| B KZN431 Ingwe | - | - | - | - | - | - | - | - | - |
| B KZN432 Kwa Sani | - | - | - | - | - | - | - | - | - |
| B KZN433 Greater Kokstad | - | - | 100 | - | - | - | - | - | - |
| B KZN434 Ubuhlebezwe | - | - | - | - | - | - | - | - | - |
| B KZN435 Umzimkulu | - | - | - | - | - | - | - | - | - |
| C DC43 Harry Gwala District Municipality | - | - | - | - | 500 | 500 | - | - | - |
| Unallocated | - | - | - | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 |
| Total | 900 | 4 244 | 11 076 | 1 500 | 5 685 | 5 685 | 2 250 | 1 000 | 1 000 |

Table 4.S : Financial summary for Ithala Development Finance Corporation (Ithala)

| | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|------------------|-----------------------|------------------|------------------|
| R thousand | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Revenue | | | | | | | |
| Tax revenue | - | - | - | - | - | - | - |
| Non-tax revenue | 938 843 | 814 329 | 794 871 | 869 074 | 1 133 749 | 1 304 194 | 1 490 235 |
| Sale of goods and services other than capital assets | 409 450 | 294 344 | 258 339 | 248 855 | 404 779 | 469 463 | 519 035 |
| Of which: | | | | | | | |
| Admin fees | 204 130 | 188 528 | 154 682 | 128 755 | 261 992 | 328 879 | 370 108 |
| Other sales | 205 320 | 105 816 | 103 657 | 120 100 | 142 786 | 140 585 | 148 927 |
| Interest, dividends and rent on land | 529 393 | 519 985 | 536 532 | 620 219 | 728 970 | 834 731 | 971 200 |
| Transfers received* | 182 471 | 150 541 | 306 146 | 263 000 | 190 686 | 163 000 | 148 000 |
| Sale of capital assets | 1 392 | (2 335) | 2 346 | 31 | - | - | - |
| Total revenue | 1 122 706 | 962 535 | 1 103 363 | 1 132 105 | 1 324 435 | 1 467 194 | 1 638 235 |
| Expenses | | | | | | | |
| Current expense | 1 020 769 | 884 399 | 968 942 | 977 319 | 1 165 596 | 1 315 366 | 1 453 544 |
| Compensation of employees | 318 995 | 338 457 | 351 957 | 416 764 | 454 354 | 492 460 | 527 124 |
| Use of goods and services | 480 317 | 334 367 | 392 126 | 302 372 | 399 199 | 444 467 | 477 669 |
| Depreciation | 50 115 | 43 187 | 47 325 | 57 597 | 68 745 | 83 406 | 99 400 |
| Interest, dividends and rent on land | 171 342 | 168 388 | 177 534 | 200 585 | 243 298 | 295 033 | 349 351 |
| Transfers and subsidies | - | - | - | - | - | - | - |
| Total expenses | 1 020 769 | 884 399 | 968 942 | 977 319 | 1 165 596 | 1 315 366 | 1 453 544 |
| Surplus / (Deficit)** | 101 937 | 78 136 | 134 421 | 154 786 | 158 838 | 151 828 | 184 691 |
| Cash flow summary | | | | | | | |
| Adjust surplus / (deficit) for accrual transactions | 200 678 | 156 581 | 44 601 | 90 241 | 104 467 | 139 843 | 174 413 |
| Adjustments for: | | | | | | | |
| Depreciation | 50 115 | 43 187 | 47 325 | 57 597 | 68 745 | 83 406 | 99 400 |
| Interest | 69 493 | 57 449 | 61 557 | 71 175 | 109 058 | 148 449 | 189 302 |
| Net (profit) / loss on disposal of fixed assets | (2 146) | (3 873) | - | - | - | - | - |
| Other | 83 216 | 59 818 | (64 281) | (38 531) | (73 336) | (92 013) | (114 289) |
| Operating surplus / (deficit) before changes in working capital | 302 615 | 234 717 | 179 022 | 245 027 | 263 305 | 291 671 | 359 104 |
| Changes in working capital | (18 280) | (7 339) | (257 757) | - | (19 497) | (20 658) | (21 675) |
| (Decrease) / increase in accounts payable | (143 224) | 13 593 | (257 757) | - | (19 497) | (20 658) | (21 675) |
| Decrease / (increase) in accounts receivable | 127 634 | (15 341) | - | - | - | - | - |
| Tax paid | (2 690) | (5 591) | - | - | - | - | - |
| Cash flow from operating activities | 284 335 | 227 378 | (78 735) | 245 027 | 243 808 | 271 014 | 337 428 |
| Transfers from government | - | - | 290 000 | 198 000 | 148 000 | 148 000 | 148 000 |
| Capital | - | - | - | - | - | - | - |
| Current | - | - | 290 000 | 198 000 | 148 000 | 148 000 | 148 000 |
| Cash flow from investing activities | (300 981) | (250 359) | (625 418) | 72 922 | 110 983 | 42 612 | 52 386 |
| Acquisition of assets | (50 201) | (75 393) | (103 267) | (244 913) | (193 291) | (305 978) | (217 032) |
| Investment property | (22 404) | (40 255) | (45 774) | (191 446) | (120 160) | (227 011) | (144 346) |
| Other machinery and equipment | (27 797) | (35 138) | (57 493) | (53 467) | (73 131) | (78 967) | (72 686) |
| Other flows from investing activities | (250 781) | (174 966) | (522 151) | 317 835 | 304 274 | 348 590 | 269 418 |
| Cash flow from financing activities | 12 241 | 40 177 | (313 870) | (228 506) | (77 659) | 96 933 | (28 049) |
| Deferred income | 18 077 | 57 488 | (306 146) | (208 000) | (190 686) | (163 000) | (148 000) |
| Borrowing activities | (23 070) | (28 606) | (7 724) | (20 506) | 113 027 | 259 933 | 119 951 |
| Other | 17 234 | 11 295 | - | - | - | - | - |
| Net increase / (decrease) in cash and cash equivalents | (4 406) | 17 196 | (728 023) | 287 444 | 425 132 | 558 558 | 509 766 |
| Balance sheet data | | | | | | | |
| Carrying value of assets | 955 631 | 974 016 | 1 024 860 | 1 198 492 | 1 323 038 | 1 545 610 | 1 663 242 |
| Investment property | 770 267 | 779 608 | 802 179 | 936 028 | 987 443 | 1 131 048 | 1 175 994 |
| Furniture and office equipment | 169 662 | 179 193 | 190 831 | 244 298 | 317 429 | 396 396 | 469 082 |
| Computer software | 15 470 | 14 978 | 31 604 | 17 920 | 17 920 | 17 920 | 17 920 |
| Other intangibles | 232 | 237 | 246 | 246 | 246 | 246 | 246 |
| Investments | 12 069 | 16 141 | 14 946 | 14 946 | 14 946 | 14 946 | 14 946 |
| Cash and cash equivalents | 1 787 463 | 1 902 163 | 1 102 307 | 1 342 874 | 1 768 006 | 2 326 564 | 2 836 330 |
| Bank | 1 618 696 | 1 642 002 | 901 367 | 1 342 874 | 1 768 006 | 2 326 564 | 2 836 330 |
| Cash on hand | 52 492 | 42 124 | 54 735 | - | - | - | - |
| Other | 116 275 | 218 037 | 146 205 | - | - | - | - |
| Receivables and prepayments | 1 912 412 | 1 899 427 | 2 368 210 | 2 016 633 | 2 401 042 | 2 943 489 | 3 552 480 |
| Trade receivables | 60 665 | 195 390 | 80 203 | 257 491 | 276 988 | 297 646 | 319 321 |
| Other receivables | 1 851 747 | 1 704 037 | 2 288 007 | 1 759 142 | 2 124 053 | 2 645 843 | 3 233 159 |
| Inventory | 23 100 | 23 505 | 24 212 | 24 211 | 24 211 | 24 211 | 24 211 |
| Total assets | 4 690 675 | 4 815 252 | 4 534 535 | 4 597 156 | 5 531 243 | 6 854 820 | 8 091 209 |
| Capital and reserves | 1 809 784 | 1 887 920 | 2 022 404 | 2 177 190 | 2 336 029 | 2 487 857 | 2 672 548 |
| Share capital and premium | 1 008 582 | 1 008 582 | 1 008 582 | 1 008 582 | 1 008 582 | 1 008 582 | 1 008 582 |
| Accumulated reserves | 699 265 | 801 202 | 879 401 | 1 013 822 | 1 168 608 | 1 327 447 | 1 479 275 |
| Surplus / (Deficit) | 101 937 | 78 136 | 134 421 | 154 786 | 158 838 | 151 828 | 184 691 |
| Borrowings | 129 961 | 101 355 | 93 631 | 80 098 | 205 200 | 492 773 | 659 144 |
| Post retirement benefits | 67 619 | 73 989 | 77 001 | 77 001 | 77 001 | 77 001 | 77 001 |
| Present value of funded obligations | 70 247 | 83 292 | 90 355 | 90 355 | 90 355 | 90 355 | 90 355 |
| Unrecognised transitional liabilities | (2 628) | (9 303) | (13 354) | (13 354) | (13 354) | (13 354) | (13 354) |
| Trade and other payables | 1 888 215 | 1 876 687 | 2 106 743 | 2 105 111 | 2 797 943 | 3 697 119 | 4 582 446 |
| Trade payables | 4 834 | 100 778 | 133 314 | 126 401 | 126 401 | 126 401 | 126 401 |
| Other | 1 883 381 | 1 775 909 | 1 973 429 | 1 978 710 | 2 671 542 | 3 570 718 | 4 456 045 |
| Deferred income | 705 551 | 799 846 | 156 432 | 79 432 | 36 746 | 21 746 | 21 746 |
| Provisions | 89 545 | 75 455 | 78 324 | 78 324 | 78 324 | 78 324 | 78 324 |
| Leave pay provision | 23 700 | 26 900 | 30 041 | 30 041 | 30 041 | 30 041 | 30 041 |
| Audit fee provision | 5 186 | 6 873 | 6 669 | 6 669 | 6 669 | 6 669 | 6 669 |
| Landfill restoration | 41 614 | 20 000 | 20 000 | 20 000 | 20 000 | 20 000 | 20 000 |
| Long service awards | 19 045 | 21 682 | 21 614 | 21 614 | 21 614 | 21 614 | 21 614 |
| Funds managed (e.g. Poverty alleviation fund) | - | - | - | - | - | - | - |
| Contingent liabilities | - | - | - | - | - | - | - |
| Total equity and liabilities | 4 690 675 | 4 815 252 | 4 534 535 | 4 597 156 | 5 531 242 | 6 854 820 | 8 091 209 |

*Note: Some amounts reflected as Transfers received do not equal the amounts reflected in Table 4.8, as transfers include management and business support fees charged.

**Note: The surplus relates to the accounting treatment of capital expenses in terms of IAS20.

Table 4.T : Financial summary for Ezemvelo KZN Wildlife (EKZNW)

| R thousand | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|------------------|-----------------|------------------|-----------------------|-----------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Revenue | | | | | | | |
| Fines penalties and forfeits (Licences & permits) | 1 324 | 1 427 | 1 336 | 1 079 | 1 148 | 1 211 | 1 275 |
| Non-tax revenue | 198 528 | 183 383 | 214 173 | 240 262 | 256 355 | 247 388 | 277 250 |
| Sale of goods and services other than capital assets | 173 347 | 171 728 | 183 801 | 199 640 | 224 794 | 231 466 | 260 584 |
| Of which: | | | | | | | |
| Admin fees | 3 656 | 1 930 | 2 361 | 1 727 | 6 228 | 1 300 | 1 300 |
| Sales by market establishments | 155 426 | 153 578 | 161 709 | 172 023 | 198 879 | 211 280 | 241 192 |
| Other sales | 14 265 | 16 220 | 19 731 | 25 890 | 19 687 | 18 886 | 18 092 |
| Interest, dividends and rent on land | 7 266 | 8 494 | 9 629 | 10 364 | 9 391 | 9 898 | 10 423 |
| Other non-tax revenue | 17 915 | 3 161 | 20 743 | 30 258 | 22 170 | 6 024 | 6 243 |
| Transfers received | 491 317 | 551 874 | 592 813 | 748 856 | 651 319 | 686 325 | 720 416 |
| Sale of capital assets | - | 119 630 | 383 | 3 000 | 3 200 | 3 400 | 3 600 |
| Total revenue | 691 169 | 856 314 | 808 705 | 993 197 | 912 023 | 938 324 | 1 002 540 |
| Expenses | | | | | | | |
| Current expense | 749 182 | 773 623 | 854 270 | 960 079 | 920 389 | 944 950 | 1 018 824 |
| Compensation of employees | 466 503 | 513 298 | 579 483 | 591 126 | 641 946 | 668 288 | 719 845 |
| Use of goods and services | 183 269 | 186 735 | 206 478 | 308 615 | 204 777 | 206 405 | 233 793 |
| Community project funding | - | 1 981 | 2 000 | 2 500 | 4 500 | 4 500 | 4 500 |
| Depreciation | 97 495 | 69 861 | 63 944 | 55 218 | 66 525 | 62 973 | 57 755 |
| Interest, dividends and rent on land | 1 915 | 1 748 | 2 365 | 2 621 | 2 641 | 2 783 | 2 931 |
| Transfers and subsidies | - | - | - | - | - | - | - |
| Total expenses | 749 182 | 773 623 | 854 270 | 960 079 | 920 389 | 944 950 | 1 018 824 |
| Surplus / (Deficit)* | (58 013) | 82 691 | (45 565) | 33 118 | (8 366) | (6 626) | (16 284) |
| Cash flow summary | | | | | | | |
| Adjust surplus / (deficit) for accrual transactions | 117 994 | 78 229 | 91 686 | 55 275 | 66 601 | 63 053 | 57 839 |
| Adjustments for: | | | | | | | |
| Depreciation | 97 495 | 69 861 | 63 944 | 55 218 | 66 525 | 62 973 | 57 755 |
| Interest | 198 | 49 | 363 | 57 | 76 | 80 | 84 |
| Net (profit) / loss on disposal of fixed assets | 25 211 | - | 1 754 | - | - | - | - |
| Other - MCM, Special & External Projects | (4 910) | 8 319 | 25 625 | - | - | - | - |
| Operating surplus / (deficit) before changes in working capital | 59 981 | 160 920 | 46 121 | 88 392 | 58 235 | 56 427 | 41 555 |
| Changes in working capital | (21 686) | 32 390 | 17 528 | - | - | - | - |
| (Decrease) / increase in accounts payable | (12 124) | 14 883 | 11 507 | - | - | - | - |
| Decrease / (increase) in accounts receivable | 8 724 | 13 547 | (6 182) | - | - | - | - |
| Decrease / (increase) in inventory | 721 | (593) | (240) | - | - | - | - |
| (Decrease) / increase in trust funds and external projects | (397) | (4 906) | 797 | - | - | - | - |
| (Decrease) / increase in provisions | (18 610) | 9 459 | 11 646 | - | - | - | - |
| Cash flow from operating activities | 38 295 | 193 310 | 63 649 | 88 392 | 58 235 | 56 427 | 41 555 |
| Transfers from government | 491 317 | 551 874 | 592 813 | 748 856 | 651 319 | 686 325 | 720 416 |
| Capital | 7 800 | 19 029 | 48 136 | 92 729 | 58 159 | 56 347 | 41 471 |
| Current | 483 517 | 532 845 | 544 677 | 656 127 | 593 160 | 629 978 | 678 945 |
| Cash flow from investing activities | (13 254) | (127 741) | (39 705) | (97 071) | (58 159) | (56 347) | (41 471) |
| Acquisition of assets | (12 069) | (22 217) | (39 705) | (97 071) | (58 159) | (56 347) | (41 471) |
| Land | - | - | - | (9 000) | (12 000) | (12 000) | (15 795) |
| Non-residential buildings - All buildings - incl. tourist & staff accom. | (659) | (116) | (1 182) | (43 544) | (19 100) | (24 700) | (14 000) |
| Other structures (infrastructure assets) - Roads, dams, fences | (1 243) | (5 186) | (9 960) | (291) | (5 260) | - | - |
| Computer equipment | (2 442) | (3 790) | (2 237) | (1 600) | (848) | - | - |
| Furniture and office equipment | (2 039) | (6 340) | (6 088) | (11 185) | (6 529) | - | - |
| Other machinery and equipment | (615) | (1 539) | (2 035) | (5 683) | (3 125) | (13 647) | (10 676) |
| Transport assets | (5 071) | (5 246) | (16 681) | (17 206) | (10 297) | (5 000) | - |
| Computer software | - | - | (1 522) | (8 563) | (1 000) | (1 000) | (1 000) |
| Other flows from investing activities | (1 185) | (105 524) | - | - | - | - | - |
| Cash flow from financing activities | 4 085 | (2 020) | (15 964) | (57) | (76) | (80) | (84) |
| Net increase / (decrease) in cash and cash equivalents | 29 126 | 63 549 | 7 980 | (8 736) | - | - | - |
| Balance sheet data | | | | | | | |
| Carrying value of assets | 595 569 | 653 451 | 627 459 | 669 313 | 660 947 | 654 320 | 638 036 |
| Land | - | - | - | 9 000 | 21 000 | 33 000 | 48 795 |
| Non-residential buildings - All buildings - incl. tourist & staff accom. | 413 674 | 454 029 | 433 134 | 460 625 | 455 891 | 456 605 | 446 576 |
| Other structures (infrastructure assets) - Roads, dams, fences | 130 706 | 112 890 | 100 328 | 93 442 | 91 155 | 83 753 | 76 916 |
| Capital work in progress | 2 219 | 8 968 | 14 822 | 14 822 | 14 822 | 14 822 | 14 822 |
| Computer equipment | 11 249 | 7 263 | 6 438 | 3 767 | 1 399 | (446) | (1 006) |
| Furniture and office equipment | 9 710 | 14 345 | 16 148 | 22 375 | 22 071 | 14 845 | 9 327 |
| Other Machinery and equipment | 2 089 | 3 863 | 4 644 | 8 744 | 8 772 | 18 857 | 22 808 |
| Transport assets | 25 922 | 39 595 | 39 051 | 37 340 | 29 072 | 18 352 | 7 108 |
| Computer software | - | 12 498 | 12 894 | 19 198 | 16 765 | 14 533 | 12 691 |
| Investments | 119 568 | 188 873 | 208 297 | 208 297 | 208 297 | 208 297 | 208 297 |
| Cash and cash equivalents | 78 631 | 57 007 | 45 562 | 36 826 | 36 826 | 36 826 | 36 826 |
| Receivables and prepayments | 23 375 | 9 828 | 16 010 | 16 010 | 16 010 | 16 010 | 16 010 |
| Inventory | 7 498 | 8 091 | 8 331 | 8 331 | 8 331 | 8 331 | 8 331 |
| Total assets | 824 641 | 917 250 | 905 659 | 938 777 | 930 411 | 923 784 | 907 500 |
| Capital and reserves | 549 009 | 640 021 | 620 081 | 653 199 | 644 833 | 638 206 | 621 922 |
| Accumulated reserves | 385 310 | 322 387 | 413 399 | 393 459 | 426 577 | 418 211 | 411 584 |
| Surplus / (Deficit) - Own operations | (58 013) | 82 691 | (45 565) | 33 118 | (8 366) | (6 627) | (16 284) |
| Surplus / (Deficit) - MCM, external & special projects | (4 910) | 8 321 | 25 625 | - | - | - | - |
| Revaluation Reserve | 226 622 | 226 622 | 226 622 | 226 622 | 226 622 | 226 622 | 226 622 |
| Borrowings | - | - | - | - | - | - | - |
| Post retirement benefits | 55 682 | 58 947 | 62 223 | 62 223 | 62 223 | 62 223 | 62 223 |
| Trade and other payables | 76 102 | 90 985 | 102 492 | 102 492 | 102 492 | 102 492 | 102 492 |
| Deferred income | 47 425 | 45 454 | 29 853 | 29 853 | 29 853 | 29 853 | 29 853 |
| Provisions | 65 189 | 71 383 | 79 753 | 79 753 | 79 753 | 79 753 | 79 753 |
| Funds managed (e.g. Poverty alleviation fund) | 31 234 | 26 328 | 27 125 | 27 125 | 27 125 | 27 125 | 27 125 |
| Contingent liabilities | - | - | - | - | - | - | - |
| Total equity and liabilities | 824 641 | 933 118 | 921 527 | 954 645 | 946 279 | 939 652 | 923 368 |

*Note: The surplus relates to the accounting treatment of the purchase of capital expense items.

Table 4.U : Financial summary for KwaZulu-Natal Sharks Board (KZNSB)

| R thousand | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|-----------------|-----------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Revenue | | | | | | | |
| Tax revenue | | | | | | | |
| Non-tax revenue | 23 955 | 25 073 | 29 634 | 26 781 | 28 223 | 29 477 | 30 784 |
| Sale of goods and services other than capital assets | 22 413 | 23 824 | 27 743 | 26 281 | 27 623 | 28 877 | 30 145 |
| Interest, dividends and rent on land | 1 542 | 1 249 | 1 891 | 500 | 600 | 600 | 639 |
| Transfers received* | 41 334 | 55 372 | 59 985 | 57 109 | 56 678 | 59 364 | 56 032 |
| Sale of capital assets | 75 | - | 37 | - | - | - | - |
| Total revenue | 65 364 | 80 445 | 89 656 | 83 890 | 84 901 | 88 841 | 86 816 |
| Expenses | | | | | | | |
| Current expense | 51 928 | 63 199 | 85 151 | 120 366 | 84 901 | 88 841 | 86 816 |
| Compensation of employees | 36 229 | 40 101 | 47 989 | 54 567 | 59 778 | 64 560 | 67 533 |
| Use of goods and services | 15 699 | 17 753 | 31 161 | 57 709 | 19 880 | 19 634 | 14 636 |
| Depreciation | - | 5 345 | 6 001 | 8 000 | 5 243 | 4 647 | 4 647 |
| Interest, dividends and rent on land | - | - | - | 90 | - | - | - |
| Transfers and subsidies | | | | | | | |
| Total expenses | 51 928 | 63 199 | 85 151 | 120 366 | 84 901 | 88 841 | 86 816 |
| Surplus / (Deficit) | 13 436 | 17 246 | 4 505 | (36 476) | - | - | - |
| Cash flow summary | | | | | | | |
| Adjust surplus / (deficit) for accrual transactions | 5 146 | 5 345 | 6 001 | 8 000 | 5 243 | 4 647 | 4 647 |
| Adjustments for: | | | | | | | |
| Depreciation | 6 036 | 5 345 | 6 001 | 8 000 | 5 243 | 4 647 | 4 647 |
| Interest | (815) | - | - | - | - | - | - |
| Net (profit) / loss on disposal of fixed assets | (75) | - | - | - | - | - | - |
| Operating surplus / (deficit) before changes in working capital | 18 582 | 22 591 | 10 506 | (28 476) | 5 243 | 4 647 | 4 647 |
| Changes in working capital | 3 091 | 397 | (1 356) | 95 | 101 | 108 | 113 |
| (Decrease) / increase in accounts payable | 1 635 | 345 | (529) | (142) | (150) | (158) | (166) |
| Decrease / (increase) in accounts receivable | 1 154 | (46) | (1 488) | (328) | (346) | (363) | (381) |
| (Decrease) / increase in provisions | 302 | 98 | 661 | 565 | 597 | 629 | 660 |
| Cash flow from operating activities | 21 673 | 22 988 | 9 150 | (28 381) | 5 344 | 4 755 | 4 760 |
| Transfers from government | 41 334 | 68 870 | 84 579 | 93 496 | 56 678 | 59 682 | 56 527 |
| Capital | 13 500 | 13 500 | 35 095 | 36 387 | 1 895 | 1 990 | 2 109 |
| Current | 27 834 | 55 371 | 49 484 | 57 109 | 54 783 | 57 692 | 54 418 |
| Cash flow from investing activities | (641) | (15 825) | (15 978) | (25 334) | (3 579) | (1 461) | (1 234) |
| Acquisition of assets | (641) | (15 825) | (15 978) | (25 334) | (3 579) | (1 461) | (1 234) |
| Land | - | - | - | (10 500) | - | - | - |
| Dwellings | (98) | (3 850) | (9 652) | (2 193) | - | - | - |
| Non-residential buildings | - | (6 105) | - | (164) | (172) | (181) | (190) |
| Capital work in progress | - | (2 500) | - | - | - | - | - |
| Computer equipment | - | (445) | (85) | (596) | - | - | - |
| Furniture and office equipment | - | - | (352) | (1 208) | (258) | (165) | (173) |
| Other machinery and equipment | (415) | (128) | (2 089) | (9 342) | (1 146) | (503) | (378) |
| Transport assets | - | (2 732) | (3 800) | (1 331) | (2 003) | (612) | (493) |
| Patents, licences, copyrights, brand names and trademarks | - | (65) | - | - | - | - | - |
| Other intangibles | (128) | - | - | - | - | - | - |
| Other flows from investing activities | - | - | - | - | - | - | - |
| Cash flow from financing activities | - | - | - | - | - | - | - |
| Net increase / (decrease) in cash and cash equivalents | 21 032 | 7 163 | (6 828) | (53 715) | 1 765 | 3 294 | 3 526 |
| Statement of financial position | | | | | | | |
| Carrying value of assets | 63 058 | 59 438 | 69 657 | 91 225 | 56 629 | 51 187 | 53 746 |
| Dwellings | 44 132 | 42 127 | 48 270 | 62 186 | 35 232 | 35 000 | 36 750 |
| Investment property | 5 494 | 4 788 | 5 000 | 5 700 | 5 710 | 5 750 | 6 038 |
| Computer equipment | 376 | 762 | 608 | 626 | 313 | 200 | 210 |
| Furniture and office equipment | - | 576 | 1 260 | 347 | - | - | - |
| Other machinery and equipment | 3 261 | 2 847 | 4 146 | 13 694 | 8 887 | 5 925 | 6 221 |
| Transport assets | 9 250 | 7 956 | 10 145 | 8 602 | 6 452 | 4 302 | 4 517 |
| Computer software | - | 382 | 228 | 70 | 35 | 10 | 11 |
| Service and operating rights | 545 | - | - | - | - | - | - |
| Investments | 310 | 46 199 | 36 939 | 10 000 | 8 000 | 8 000 | 8 000 |
| Cash and cash equivalents | 25 168 | 962 | 1 743 | 10 000 | 8 000 | 8 400 | 8 820 |
| Bank | 25 168 | 948 | 1 728 | 10 000 | 8 000 | 8 400 | 8 820 |
| Cash on hand | - | 14 | 15 | - | - | - | - |
| Receivables and prepayments | 2 346 | 2 395 | 3 724 | 550 | 600 | 630 | 662 |
| Trade receivables | 1 599 | 1 467 | 2 955 | 550 | 600 | 630 | 662 |
| Other receivables | 192 | 238 | 337 | - | - | - | - |
| Prepaid expenses | 555 | 690 | 432 | - | - | - | - |
| Inventory | 1 389 | 1 247 | 2 026 | 1 550 | 1 650 | 1 733 | 1 820 |
| Total assets | 92 271 | 110 241 | 114 089 | 113 325 | 74 879 | 69 950 | 73 048 |
| Capital and reserves | 78 893 | 96 563 | 101 065 | 101 065 | 60 263 | 54 603 | 56 933 |
| Accumulated reserves | 71 621 | 79 317 | 96 560 | 101 065 | 60 263 | 54 603 | 56 933 |
| Surplus / (Deficit) | 7 272 | 17 246 | 4 505 | - | - | - | - |
| Borrowings | 462 | - | - | - | - | - | - |
| Current | 129 | - | - | - | - | - | - |
| 1<5 Years | 333 | - | - | - | - | - | - |
| Post retirement benefits | 5 162 | 6 062 | 5 366 | 5 420 | 5 691 | 5 976 | 6 275 |
| Trade and other payables | 3 930 | 4 724 | 4 105 | 2 280 | 3 765 | 3 953 | 4 151 |
| Deferred income | - | - | - | - | - | - | - |
| Provisions | 2 794 | 2 892 | 3 553 | 4 560 | 5 160 | 5 418 | 5 689 |
| Funds managed (e.g. Poverty alleviation fund) | 68 | - | - | - | - | - | - |
| Contingent liabilities | 962 | - | - | - | - | - | - |
| Total equity and liabilities | 92 271 | 110 241 | 114 089 | 113 325 | 74 879 | 69 950 | 73 048 |

*Note: Some amounts reflected as Transfers received do not equal the amounts reflected in Table 4.8, as portion of the transfers is reflected against other items in the statement of financial position.

Table 4.V : Financial summary for KZN Tourism Authority (TKZN)

| R thousand | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|-----------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Revenue | | | | | | | |
| Tax revenue | - | - | - | - | - | - | - |
| Non-tax revenue | 20 574 | 10 434 | 18 695 | 2 554 | 2 780 | 202 | 212 |
| Sale of goods and services other than capital assets | 20 451 | 10 358 | 18 228 | - | - | - | - |
| Interest, dividends and rent on land | 123 | 76 | 467 | 201 | 191 | 202 | 212 |
| Other non-tax revenue | - | - | - | 2 353 | 2 589 | - | - |
| Transfers received* | 89 381 | 118 292 | 82 212 | 109 297 | 107 512 | 112 203 | 117 813 |
| Sale of capital assets | - | - | - | - | - | - | - |
| Total revenue | 109 955 | 128 726 | 100 907 | 111 851 | 110 292 | 112 405 | 118 025 |
| Expenses | | | | | | | |
| Current expense | 103 558 | 127 375 | 99 814 | 111 851 | 110 292 | 112 405 | 118 026 |
| Compensation of employees | 24 064 | 27 635 | 28 388 | 32 745 | 33 447 | 35 554 | 37 332 |
| Use of goods and services | 78 862 | 99 104 | 67 491 | 74 454 | 71 771 | 71 316 | 74 882 |
| Depreciation | 632 | 636 | 785 | 871 | 915 | 960 | 1 008 |
| Interest, dividends and rent on land | 123 | 76 | 3 150 | 3 781 | 4 159 | 4 575 | 4 804 |
| Transfers and subsidies | - | - | - | - | - | - | - |
| Total expenses | 103 558 | 127 375 | 99 814 | 111 851 | 110 292 | 112 405 | 118 026 |
| Surplus / (Deficit) | 6 397 | 1 351 | 1 093 | - | - | - | - |
| Cash flow summary | | | | | | | |
| Adjust surplus / (deficit) for accrual transactions | 755 | 712 | 1 252 | 1 072 | 1 106 | 1 162 | 1 220 |
| Adjustments for: | | | | | | | |
| Depreciation | 632 | 636 | 785 | 871 | 915 | 960 | 1 008 |
| Interest | 123 | 76 | 467 | 201 | 191 | 202 | 212 |
| Operating surplus / (deficit) before changes in working capital | 7 152 | 2 063 | 2 345 | 1 072 | 1 106 | 1 162 | 1 220 |
| Changes in working capital | (2 914) | 15 386 | (13 163) | (3 401) | (3 571) | (3 749) | (3 937) |
| (Decrease) / increase in accounts payable | 25 821 | (17 010) | (12 876) | (886) | (930) | (977) | (1 026) |
| Decrease / (increase) in accounts receivable | (28 911) | 31 655 | (287) | (2 515) | (2 640) | (2 773) | (2 911) |
| (Decrease) / increase in provisions | 176 | 741 | - | - | - | - | - |
| Cash flow from operating activities | 4 238 | 17 449 | (10 818) | (2 329) | (2 465) | (2 587) | (2 716) |
| Transfers from government | 89 381 | 118 292 | 82 212 | 109 297 | 107 512 | 112 203 | 117 813 |
| Capital | | | | | | | |
| Current | 89 381 | 118 292 | 82 212 | 109 297 | 107 512 | 112 203 | 117 813 |
| Cash flow from investing activities | 198 | 179 | 379 | 3 311 | 3 300 | 825 | 894 |
| Acquisition of assets | 198 | 179 | 379 | 3 311 | 3 300 | 825 | 894 |
| Computer equipment | 187 | 158 | 371 | 3 311 | 3 300 | 825 | 894 |
| Furniture and office equipment | 11 | 20 | 8 | - | - | - | - |
| Other machinery and equipment | - | 1 | - | - | - | - | - |
| Other flows from investing activities | - | - | - | - | - | - | - |
| Cash flow from financing activities | - | - | - | - | - | - | - |
| Net increase / (decrease) in cash and cash equivalents | 4 436 | 17 628 | (10 439) | 982 | 835 | (1 762) | (1 822) |
| Balance sheet data | | | | | | | |
| Carrying value of assets | 1 863 | 2 228 | 2 116 | 2 222 | 2 333 | 2 450 | 2 572 |
| Computer equipment | 484 | 457 | 838 | 880 | 924 | 970 | 1 019 |
| Furniture and office equipment | 790 | 555 | 259 | 272 | 286 | 300 | 315 |
| Other machinery and equipment | 554 | 384 | 186 | 195 | 205 | 215 | 226 |
| Computer software | 35 | 832 | 833 | 875 | 918 | 964 | 1 013 |
| Investments | - | - | - | - | - | - | - |
| Cash and cash equivalents | 12 419 | 28 789 | 17 082 | 17 936 | 20 763 | 21 801 | 22 892 |
| Bank | 10 720 | 28 546 | 16 161 | 16 969 | 19 644 | 20 626 | 21 657 |
| Cash on hand | 5 | 10 | 8 | 8 | 10 | 10 | 11 |
| Other | 1 694 | 233 | 913 | 959 | 1 110 | 1 165 | 1 224 |
| Receivables and prepayments | 33 761 | 2 108 | 2 395 | 2 515 | 2 911 | 3 057 | 3 210 |
| Trade receivables | 30 387 | 1 148 | 228 | 239 | 277 | 291 | 306 |
| Other receivables | 3 374 | 960 | 2 167 | 2 275 | 2 634 | 2 766 | 2 904 |
| Inventory | - | - | - | - | - | - | - |
| Total assets | 48 043 | 33 125 | 21 593 | 22 673 | 26 007 | 27 308 | 28 673 |
| Capital and reserves | 1 179 | 2 530 | 3 874 | 3 874 | 3 874 | 3 874 | 3 874 |
| Accumulated reserves | (5 218) | 1 179 | 2 781 | 3 874 | 3 874 | 3 874 | 3 874 |
| Surplus / (Deficit) | 6 397 | 1 351 | 1 093 | - | - | - | - |
| Borrowings | - | - | - | - | - | - | - |
| Post retirement benefits | - | - | - | - | - | - | - |
| Trade and other payables | 45 375 | 28 365 | 17 719 | 18 605 | 21 538 | 22 614 | 23 745 |
| Deferred income | - | - | - | - | - | - | - |
| Provisions | 1 489 | 2 230 | - | - | - | - | - |
| Funds managed (e.g. Poverty alleviation fund) | - | - | - | - | - | - | - |
| Contingent liabilities | - | - | - | - | - | - | - |
| Total equity and liabilities | 48 043 | 33 125 | 21 593 | 22 479 | 25 412 | 26 488 | 27 619 |

*Note: Some amounts reflected as Transfers received do not equal the amounts in Table 4.8, due to differences in the basis of accounting.

Table 4.W : Financial summary for Dube TradePort Corporation (DTPC)

| R thousand | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Revenue | | | | | | | |
| Tax revenue | - | - | - | - | - | - | - |
| Non-tax revenue | 77 563 | 123 148 | 140 667 | 81 331 | 87 694 | 99 842 | 106 359 |
| Sale of goods and services other than capital assets | 21 880 | 74 103 | 97 914 | 47 473 | 59 646 | 76 316 | 86 459 |
| Interest, dividends and rent on land | 54 142 | 41 945 | 40 368 | 33 547 | 27 774 | 23 090 | 19 196 |
| Other non-tax revenue | 1 541 | 7 100 | 2 385 | 311 | 274 | 436 | 704 |
| Transfers received* | 320 015 | 346 204 | 466 511 | 579 080 | 593 609 | 625 071 | 656 325 |
| Sale of capital assets | - | - | - | - | - | - | - |
| Total revenue | 397 578 | 469 352 | 607 178 | 660 411 | 681 303 | 724 913 | 762 684 |
| Expenses | | | | | | | |
| Current expense | 323 878 | 346 491 | 402 226 | 445 110 | 436 081 | 459 719 | 488 659 |
| Compensation of employees | 31 942 | 56 989 | 65 218 | 76 732 | 96 715 | 102 018 | 108 394 |
| Use of goods and services | 153 131 | 122 188 | 134 275 | 224 409 | 223 300 | 236 451 | 251 344 |
| Depreciation | 138 734 | 167 040 | 202 696 | 143 889 | 116 066 | 121 250 | 128 921 |
| Interest, dividends and rent on land | 71 | 274 | 37 | 80 | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - |
| Total expenses | 323 878 | 346 491 | 402 226 | 445 110 | 436 081 | 459 719 | 488 659 |
| Surplus / (Deficit)** | 73 700 | 122 861 | 204 952 | 215 301 | 245 222 | 265 194 | 274 025 |
| Cash flow summary | | | | | | | |
| Adjust surplus / (deficit) for accrual transactions | 136 052 | 116 213 | 138 304 | 143 889 | 116 066 | 121 250 | 128 921 |
| Adjustments for: | | | | | | | |
| Depreciation | 138 734 | 167 040 | 202 696 | 143 889 | 116 066 | 121 250 | 128 921 |
| Net (profit) / loss on disposal of fixed assets | (4) | 274 | 7 | - | - | - | - |
| Other | (2 678) | (51 101) | (64 399) | - | - | - | - |
| Operating surplus / (deficit) before changes in working capital | 209 752 | 239 074 | 343 256 | 359 190 | 361 288 | 386 444 | 402 946 |
| Changes in working capital | (10 329) | 23 820 | (48 353) | (7 567) | 1 124 | (4 420) | (3 652) |
| (Decrease) / increase in accounts payable | (5 863) | (19 234) | 8 416 | (10 468) | 1 586 | (2 987) | (2 701) |
| Decrease / (increase) in accounts receivable | (4 466) | 43 054 | (56 456) | 2 901 | (462) | (1 433) | (951) |
| (Decrease) / increase in provisions | - | - | (313) | - | - | - | - |
| Cash flow from operating activities | 199 423 | 262 894 | 294 903 | 351 623 | 362 412 | 382 024 | 399 294 |
| Transfers from government | 320 016 | 346 204 | 466 511 | 579 080 | 593 609 | 625 071 | 656 325 |
| Capital | 138 461 | 167 040 | 286 880 | 359 190 | 361 288 | 386 443 | 402 946 |
| Current | 181 555 | 179 164 | 179 631 | 219 890 | 232 321 | 238 628 | 253 379 |
| Cash flow from investing activities | (501 728) | (370 171) | (528 712) | (359 190) | (421 288) | (451 443) | (472 946) |
| Acquisition of assets | (498 875) | (368 177) | (570 039) | (359 190) | (421 288) | (451 443) | (472 946) |
| Non-residential buildings | - | - | (43) | - | - | - | - |
| Investment property | (220 839) | (145 040) | (475 440) | (254 849) | (102 125) | (95 042) | (85 000) |
| Other structures (Infrastructure assets) | - | (58) | (7 287) | - | - | - | - |
| Capital work in progress | (188 458) | (218 085) | (72 467) | (70 681) | (281 639) | (341 593) | (376 321) |
| Computer equipment | (54 627) | (2 670) | (9 566) | (4 565) | (12 300) | (3 075) | (3 175) |
| Furniture and office equipment | (175) | (1 285) | (512) | - | - | - | - |
| Other machinery and equipment | (20 113) | (5 039) | (1 484) | (28 345) | (25 224) | (11 733) | (8 450) |
| Transport assets | (14 637) | 4 177 | (2 208) | (750) | - | - | - |
| Computer software | (26) | (177) | (1 032) | - | - | - | - |
| Other flows from investing activities | (2 853) | (1 994) | 41 327 | - | - | - | - |
| Cash flow from financing activities | 128 601 | 45 949 | 65 244 | - | - | - | - |
| Deferred income | 128 319 | 46 104 | 65 417 | - | - | - | - |
| Other | 282 | (155) | (173) | - | - | - | - |
| Net increase / (decrease) in cash and cash equivalents | (173 704) | (61 328) | (168 565) | (7 567) | (58 876) | (69 419) | (73 652) |
| Balance sheet data | | | | | | | |
| Carrying value of assets | 2 659 423 | 2 860 280 | 3 352 727 | 3 446 436 | 3 751 658 | 4 081 852 | 4 425 877 |
| Land | - | - | 111 000 | 111 000 | 111 000 | 111 000 | 111 000 |
| Non-residential buildings | 459 866 | 328 467 | 492 537 | 430 098 | 635 776 | 890 876 | 1 169 579 |
| Investment property | 901 128 | 1 424 647 | 1 772 101 | 1 985 090 | 2 043 313 | 2 092 553 | 2 130 051 |
| Other structures (Infrastructure assets) | 426 064 | 544 537 | 529 472 | 508 284 | 487 097 | 465 909 | 444 720 |
| Capital work in progress | 433 160 | 209 901 | 143 537 | 143 537 | 203 537 | 268 537 | 338 537 |
| Heritage assets | - | - | 7 654 | 7 654 | 7 654 | 7 654 | 7 654 |
| Computer equipment | 90 699 | 55 188 | 41 504 | 4 565 | 11 243 | 7 672 | 4 663 |
| Furniture and office equipment | 35 518 | 32 189 | 23 704 | 20 148 | 16 591 | 13 034 | 9 478 |
| Other machinery and equipment | 297 618 | 256 867 | 222 848 | 230 742 | 234 253 | 223 687 | 209 415 |
| Transport assets | 14 947 | 7 995 | 6 809 | 4 211 | 864 | 600 | 450 |
| Computer software | 93 | 159 | 1 231 | 777 | - | - | - |
| Patents, licences, copyrights, brand names and trademarks | 330 | 330 | 330 | 330 | 330 | 330 | 330 |
| Investments | - | - | 1 307 | 1 307 | 1 307 | 1 307 | 1 307 |
| Cash and cash equivalents | 851 778 | 790 450 | 621 884 | 634 586 | 572 238 | 508 793 | 440 542 |
| Bank | 166 944 | 40 206 | 37 955 | 50 656 | 48 308 | 49 863 | 51 612 |
| Cash on hand | 34 | 25 | 20 | 20 | 20 | 20 | 20 |
| Other | 684 800 | 750 219 | 583 909 | 583 910 | 523 910 | 458 910 | 388 910 |
| Receivables and prepayments | 137 277 | 147 537 | 109 664 | 228 353 | 229 115 | 230 548 | 231 499 |
| Trade receivables | 1 243 | 8 353 | 7 413 | 4 511 | 5 273 | 6 706 | 7 657 |
| Other receivables | 132 389 | 138 859 | 100 242 | 221 833 | 221 833 | 221 833 | 221 833 |
| Prepaid expenses | 3 645 | 325 | 2 009 | 2 009 | 2 009 | 2 009 | 2 009 |
| Inventory | 145 | 151 | 354 | 354 | 354 | 354 | 354 |
| Total assets | 3 648 623 | 3 798 418 | 4 085 936 | 4 311 036 | 4 554 672 | 4 822 854 | 5 099 579 |
| Capital and reserves | 517 347 | 565 091 | 3 995 078 | 4 210 379 | 4 455 601 | 4 720 795 | 4 994 820 |
| Accumulated reserves | 518 597 | 517 347 | 565 091 | 3 995 078 | 4 210 379 | 4 455 601 | 4 720 795 |
| Surplus / (Deficit) | 73 700 | 122 861 | 204 952 | 215 301 | 245 222 | 265 194 | 274 025 |
| Other | (74 950) | (75 117) | 3 225 035 | - | - | - | - |
| Borrowings | 430 | 275 | 103 | 103 | 103 | 103 | 103 |
| Post retirement benefits | - | - | - | - | - | - | - |
| Trade and other payables | 89 008 | 72 401 | 85 137 | 97 924 | 96 336 | 99 324 | 102 024 |
| Trade payables | 71 456 | 35 048 | 43 197 | 53 665 | 52 077 | 55 065 | 57 765 |
| Other | 17 552 | 37 353 | 41 940 | 44 259 | 44 259 | 44 259 | 44 259 |
| Deferred income | 3 039 846 | 3 157 997 | 2 632 | 2 632 | 2 632 | 2 632 | 2 632 |
| Provisions | 1 992 | 2 654 | 2 986 | - | - | - | - |
| Funds managed (e.g. Poverty alleviation fund) | - | - | - | - | - | - | - |
| Contingent liabilities | - | - | - | - | - | - | - |
| Total equity and liabilities | 3 648 623 | 3 798 418 | 4 085 936 | 4 311 038 | 4 554 672 | 4 822 854 | 5 099 579 |

*Note: Some amounts reflected as Transfers received do not equal amounts reflected in Table 4.8, as portion of the transfers is reflected against other items in the statement of financial position.

**Note: The surplus relates to the accounting treatment of capital expenses in terms of IAS20.

Table 4.X : Financial summary for Trade and Investment KwaZulu-Natal (TIK)

| R thousand | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Revenue | | | | | | | |
| Tax revenue | - | - | - | - | - | - | - |
| Non-tax revenue | 227 | 96 | 249 | 112 | 123 | 135 | 150 |
| Sale of goods and services other than capital assets | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | 227 | 96 | 146 | 112 | 123 | 135 | 150 |
| Other non-tax revenue | - | - | 103 | - | - | - | - |
| Transfers received* | 61 536 | 66 053 | 80 207 | 81 476 | 80 207 | 84 087 | 80 941 |
| Sale of capital assets | - | - | - | - | - | - | - |
| Total revenue | 61 763 | 66 149 | 80 456 | 81 588 | 80 330 | 84 222 | 81 091 |
| Expenses | | | | | | | |
| Current expense | 58 690 | 67 015 | 76 968 | 81 588 | 80 330 | 84 222 | 81 091 |
| Compensation of employees | 25 588 | 29 025 | 32 540 | 34 340 | 38 377 | 39 001 | 42 601 |
| Use of goods and services | 32 369 | 37 019 | 43 313 | 46 136 | 40 930 | 44 246 | 37 540 |
| Depreciation | 688 | 906 | 978 | 850 | 900 | 840 | 800 |
| Interest, dividends and rent on land | 45 | 66 | 138 | 262 | 123 | 135 | 150 |
| Transfers and subsidies | - | - | - | - | - | - | - |
| Total expenses | 58 690 | 67 015 | 76 968 | 81 588 | 80 330 | 84 222 | 81 091 |
| Surplus / (Deficit) | 3 074 | (866) | 3 488 | - | - | - | - |
| Cash flow summary | | | | | | | |
| Adjust surplus / (deficit) for accrual transactions | 756 | 1 044 | 978 | 875 | 963 | 1 059 | 1 100 |
| Adjustments for: | | | | | | | |
| Depreciation | 688 | 906 | 978 | 800 | 880 | 968 | 980 |
| Interest | 45 | 66 | - | 75 | 83 | 91 | 120 |
| Other | 22 | 72 | - | - | - | - | - |
| Operating surplus / (deficit) before changes in working capital | 3 829 | 177 | 4 465 | 875 | 963 | 1 059 | 1 100 |
| Changes in working capital | (5 322) | (2 082) | (990) | (1 000) | (950) | (1 020) | (1 070) |
| (Decrease) / increase in accounts payable | (5 737) | (2 350) | (791) | (800) | (850) | (900) | (980) |
| Decrease / (increase) in accounts receivable | 415 | 268 | (198) | (200) | (100) | (120) | (90) |
| Cash flow from operating activities | (1 493) | (1 905) | 3 475 | (125) | 13 | 39 | 30 |
| Transfers from government | 61 536 | 66 053 | 80 207 | 81 476 | 80 207 | 84 087 | 80 941 |
| Capital | 723 | 759 | 797 | 837 | 882 | 930 | 979 |
| Current | 60 813 | 65 294 | 79 410 | 80 639 | 79 325 | 83 157 | 79 962 |
| Cash flow from investing activities | (868) | (871) | (627) | (730) | (315) | (360) | (430) |
| Acquisition of assets | (868) | (871) | (649) | (730) | (315) | (360) | (430) |
| Computer equipment | - | - | (486) | (250) | (150) | (80) | (200) |
| Furniture and office equipment | (453) | (210) | (37) | (400) | (120) | (200) | (80) |
| Other machinery and equipment | (415) | (661) | (126) | (80) | (45) | (80) | (150) |
| Other flows from investing activities | - | - | 22 | - | - | - | - |
| Cash flow from financing activities | 82 | 22 | (4 696) | (100) | (150) | (187) | (170) |
| Borrowing activities | 82 | 22 | (196) | (100) | (150) | (187) | (170) |
| Other | - | - | (4 500) | - | - | - | - |
| Net increase / (decrease) in cash and cash equivalents | (2 278) | (2 754) | (1 848) | (955) | (452) | (508) | (570) |
| Balance sheet data | | | | | | | |
| Carrying value of assets | 1 350 | 1 427 | 1 098 | 1 750 | 1 402 | 1 473 | 2 060 |
| Computer equipment | 372 | 275 | 514 | 650 | 547 | 574 | 650 |
| Furniture and office equipment | 605 | 513 | 156 | 550 | 485 | 510 | 600 |
| Other machinery and equipment | - | - | 286 | 350 | 280 | 294 | 360 |
| Computer software | 373 | 639 | 142 | 200 | 90 | 95 | 450 |
| Investments | - | - | - | - | - | - | - |
| Cash and cash equivalents | 9 843 | 13 460 | 11 612 | 8 003 | 8 800 | 9 200 | 10 200 |
| Bank | 9 840 | 13 457 | 11 609 | 8 000 | 8 800 | 9 200 | 10 200 |
| Cash on hand | 3 | 3 | 3 | 3 | - | - | - |
| Receivables and prepayments | 2 189 | 520 | 719 | 640 | 663 | 665 | 801 |
| Trade receivables | 636 | 6 | 60 | 50 | 53 | 69 | 76 |
| Other receivables | - | 43 | 37 | 40 | 40 | 41 | 45 |
| Prepaid expenses | 1 512 | 431 | 575 | 500 | 520 | 490 | 590 |
| Accrued income | 40 | 40 | 47 | 50 | 50 | 65 | 90 |
| Inventory | - | - | - | - | - | - | - |
| Total assets | 13 382 | 15 407 | 13 429 | 10 393 | 10 865 | 11 338 | 13 061 |
| Capital and reserves | 6 052 | 4 404 | 4 913 | 2 500 | 2 500 | 2 500 | 2 500 |
| Accumulated reserves | 2 978 | 5 271 | 1 425 | 2 500 | 2 500 | 2 500 | 2 500 |
| Surplus / (Deficit) | 3 074 | (866) | 3 488 | - | - | - | - |
| Borrowings | 278 | 299 | 216 | 150 | 340 | 280 | 220 |
| Current | 74 | 58 | 170 | 120 | 100 | 80 | 60 |
| 1<5 Years | 204 | 241 | 46 | 30 | 240 | 200 | 160 |
| Post retirement benefits | - | - | - | - | - | - | - |
| Trade and other payables | 4 592 | 7 487 | 6 583 | 6 280 | 6 908 | 7 598 | 8 358 |
| Trade payables | 3 425 | 4 044 | 1 889 | 1 980 | 2 178 | 2 395 | 2 635 |
| Accrued expenses | 1 167 | 3 443 | 4 694 | 4 300 | 4 730 | 5 203 | 5 723 |
| Deferred income | - | - | - | - | - | - | - |
| Provisions | - | - | - | - | - | - | - |
| Funds managed (e.g. Poverty alleviation fund) | - | - | - | - | - | - | - |
| Contingent liabilities | 2 461 | 3 217 | 1 717 | 1 463 | 1 117 | 960 | 1 983 |
| Total equity and liabilities | 13 382 | 15 407 | 13 429 | 10 393 | 10 865 | 11 338 | 13 061 |

*Note: Some amounts reflected as Transfers received do not equal the amounts in Table 4.8, due to differences in the basis of accounting.

Table 4.Y : Financial summary for Richards Bay Industrial Development Zone (RBIDZ)

| R thousand | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|-----------------|-----------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Revenue | | | | | | | |
| Tax revenue | 44 | 89 | 161 | 72 | - | - | - |
| Non-tax revenue | 6 818 | 7 898 | 9 388 | 7 289 | 11 343 | 232 722 | 24 075 |
| Sale of goods and services other than capital assets | 153 | - | - | - | - | - | - |
| Interest, dividends and rent on land | 6 665 | 7 898 | 9 388 | 7 289 | 11 343 | 232 722 | 24 075 |
| Transfers received* | 26 160 | 31 844 | 29 761 | 220 088 | 110 947 | 73 785 | 76 736 |
| Of which: | | | | | | | |
| DEDTEA | 26 160 | 31 844 | 29 761 | 68 170 | 110 947 | 73 785 | 76 736 |
| DTI | - | - | - | 151 918 | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - |
| Total revenue | 33 022 | 39 831 | 39 310 | 227 450 | 122 290 | 306 507 | 100 811 |
| Expenses | | | | | | | |
| Current expense | 30 084 | 39 066 | 39 309 | 27 702 | 65 694 | 72 472 | 78 978 |
| Compensation of employees | 19 557 | 21 623 | 20 179 | 15 817 | 32 394 | 33 942 | 36 666 |
| Use of goods and services | 8 972 | 17 440 | 19 129 | 11 885 | 33 298 | 38 528 | 42 310 |
| Depreciation | 26 | 3 | 2 | - | 2 | 2 | 2 |
| Interest, dividends and rent on land | 1 530 | - | - | - | - | - | - |
| Transfers and subsidies | 7 | - | - | 27 028 | 13 819 | 37 506 | 12 307 |
| Total expenses | 30 091 | 39 066 | 39 309 | 54 730 | 79 514 | 109 978 | 91 285 |
| Surplus / (Deficit) | 2 931 | 765 | 1 | 172 720 | 42 776 | 196 529 | 9 526 |
| Cash flow summary | | | | | | | |
| Adjust surplus / (deficit) for accrual transactions | 24 | 14 | (9 379) | (7 289) | (11 341) | (232 720) | (24 073) |
| Adjustments for: | | | | | | | |
| Depreciation | 24 | 3 | 2 | - | 2 | 2 | 2 |
| Other | - | 11 | (9 381) | (7 289) | (11 343) | (232 722) | (24 075) |
| Operating surplus / (deficit) before changes in working capital | 2 955 | 779 | (9 379) | 165 431 | 31 435 | (36 191) | (14 547) |
| Changes in working capital | 2 749 | 15 212 | (645) | (23 136) | 71 783 | 679 | 721 |
| (Decrease) / increase in accounts payable | 4 628 | 14 826 | (1 573) | (11 816) | 380 | 399 | 419 |
| Decrease / (increase) in accounts receivable | (1 879) | 386 | 928 | (10 019) | 68 775 | (3) | (3) |
| (Decrease) / increase in provisions | - | - | - | (1 301) | 2 629 | 282 | 305 |
| Cash flow from operating activities | 5 704 | 15 991 | (10 024) | 142 294 | 103 219 | (35 512) | (13 825) |
| Taxation | - | - | (760) | - | - | - | - |
| Finance Income | - | - | 9 388 | 7 289 | 11 343 | 232 722 | 24 075 |
| Net cash flows from operating activities | - | - | (1 396) | 149 584 | 114 562 | 197 210 | 10 250 |
| Transfers from government | 120 318 | 244 636 | 55 164 | 220 088 | 110 947 | 73 785 | 76 736 |
| Capital | 60 682 | 182 018 | 30 000 | 151 918 | - | - | - |
| Current | 59 636 | 62 618 | 25 164 | 68 170 | 110 947 | 73 785 | 76 736 |
| Cash flow from investing activities | (30 956) | (91 380) | (92 195) | (77 189) | (264 752) | (102) | (152) |
| Acquisition of assets | (30 956) | (91 380) | (92 195) | (77 189) | (264 752) | (102) | (152) |
| Land | - | - | - | - | (341 800) | - | - |
| Capital work in progress | (30 186) | (90 243) | (91 647) | (76 455) | 76 455 | - | - |
| Computer equipment | (277) | (875) | (344) | (367) | 367 | - | - |
| Furniture and office equipment | (494) | (262) | (203) | (569) | 227 | (102) | (152) |
| Other intangibles | - | - | - | 201 | - | - | - |
| Other flows from investing activities | - | - | - | - | - | - | - |
| Cash flow from financing activities | 84 361 | 187 651 | 159 821 | (132 732) | 124 106 | (190 138) | (212 401) |
| Net increase / (decrease) in cash and cash equivalents | 59 109 | 112 261 | 66 230 | (60 337) | (26 084) | 6 970 | (202 304) |
| Balance sheet data | | | | | | | |
| Carrying value of assets | 232 | 218 | 209 | 77 398 | 342 148 | 342 248 | 342 398 |
| Land | - | - | - | - | 341 800 | 341 800 | 341 800 |
| Capital work in progress | - | - | - | 76 455 | - | - | - |
| Computer equipment | 4 | - | - | 367 | - | - | - |
| Furniture and office equipment | 28 | 17 | 8 | 577 | 348 | 448 | 598 |
| Other intangibles | 201 | 201 | 201 | - | - | - | - |
| Investments | - | - | - | - | - | - | - |
| Cash and cash equivalents | 282 685 | 394 947 | 461 176 | 400 839 | 374 755 | 381 725 | 179 421 |
| Bank | 282 682 | 394 943 | 461 173 | 400 837 | 374 751 | 381 721 | 179 417 |
| Cash on hand | 4 | 4 | 3 | 2 | 4 | 4 | 4 |
| Receivables and prepayments | 60 320 | 59 934 | 59 006 | 69 025 | 250 | 253 | 255 |
| Trade receivables | 58 746 | 59 059 | 58 891 | 59 351 | 250 | 253 | 255 |
| Other receivables | 1 574 | 875 | 115 | 9 673 | - | - | - |
| Inventory | - | - | - | - | - | - | - |
| Total assets | 343 237 | 455 098 | 520 391 | 547 261 | 717 153 | 724 225 | 522 074 |
| Capital and reserves | 151 202 | 151 966 | 151 206 | 323 926 | 366 702 | 563 232 | 572 758 |
| Share capital and premium | 151 201 | 151 201 | 151 201 | 151 201 | 151 201 | 151 201 | 151 201 |
| Accumulated reserves | (2 930) | - | 4 | 5 | 172 725 | 215 501 | 412 031 |
| Surplus / (Deficit) | 2 931 | 765 | 1 | 172 720 | 42 776 | 196 529 | 9 526 |
| Borrowings | - | - | - | - | - | - | - |
| Post retirement benefits | - | - | - | - | - | - | - |
| Trade and other payables | 7 374 | 19 146 | 19 410 | 7 594 | 7 974 | 8 372 | 8 791 |
| Trade payables | 7 374 | 8 147 | 9 920 | 7 594 | 7 974 | 8 372 | 8 791 |
| Other | - | 10 999 | 9 491 | - | - | - | - |
| Deferred income | 183 675 | 279 946 | 347 572 | 214 840 | 338 946 | 148 808 | (63 593) |
| Provisions | 987 | 4 040 | 2 203 | 902 | 3 531 | 3 814 | 4 119 |
| Leave pay provision | 987 | 498 | 711 | 902 | 992 | 1 072 | 1 157 |
| Provision for bonuses | - | 3 542 | 1 492 | - | 2 539 | 2 742 | 2 961 |
| Funds managed (e.g. Poverty alleviation fund) | - | - | - | - | - | - | - |
| Contingent liabilities | - | - | - | - | - | - | - |
| Total equity and liabilities | 343 238 | 455 098 | 520 392 | 547 262 | 717 153 | 724 226 | 522 074 |

*Note: Some amounts reflected as Transfers received do not equal the amounts in Table 4.8, as portion of the transfers is reflected against other items in the statement of financial position.

**Note: The surplus is as a result of the accounting treatment of short-term invested funds and funds available for CAPEX.

Table 4.Z : Financial summary for KZN Liquor Authority (KZNLA)

| R thousand | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------|----------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Revenue | | | | | | | |
| Tax revenue | - | - | - | - | - | - | - |
| Non-tax revenue | - | 5 288 | 5 435 | 20 087 | 22 318 | 23 050 | 25 581 |
| Interest, dividends and rent on land | - | - | 1 | 1 | 1 | 1 | 1 |
| Other non-tax revenue | - | 5 288 | 5 434 | 20 086 | 22 317 | 23 049 | 25 580 |
| Transfers received | - | 55 699 | 43 920 | 77 282 | 67 008 | 70 166 | 72 403 |
| Of which: | | | | | | | |
| DEDEA | - | 55 699 | 43 920 | 77 282 | 53 214 | 56 046 | 57 079 |
| Liquor licence fees allocated back to KZNLA | - | - | - | - | 13 794 | 14 120 | 15 324 |
| Sale of capital assets | - | - | - | - | - | - | - |
| Total revenue | - | 60 987 | 49 355 | 97 369 | 89 326 | 93 216 | 97 984 |
| Expenses | | | | | | | |
| Current expense | - | 35 143 | 63 784 | 76 273 | 75 532 | 79 096 | 82 660 |
| Compensation of employees | - | 12 391 | 33 502 | 35 292 | 39 411 | 41 057 | 43 643 |
| Use of goods and services | - | 22 077 | 27 754 | 40 780 | 35 910 | 37 817 | 38 784 |
| Depreciation | - | 666 | 2 520 | 200 | 211 | 222 | 233 |
| Interest, dividends and rent on land | - | 9 | 8 | 1 | - | - | - |
| Transfers and subsidies | - | 5 005 | 5 017 | 22 095 | - | - | - |
| Total expenses | - | 40 148 | 68 801 | 98 368 | 75 532 | 79 096 | 82 660 |
| Surplus / (Deficit)* | - | 20 839 | (19 446) | (999) | 13 794 | 14 120 | 15 324 |
| Cash flow summary | | | | | | | |
| Adjust surplus / (deficit) for accrual transactions | - | 675 | 2 528 | 22 | 211 | 222 | 234 |
| Adjustments for: | | | | | | | |
| Depreciation | - | 666 | 2 520 | 22 | 211 | 222 | 234 |
| Interest | - | 9 | 8 | - | - | - | - |
| Operating surplus / (deficit) before changes in working capital | - | 21 514 | (16 918) | (977) | 14 005 | 14 342 | 15 558 |
| Changes in working capital | - | - | (1 088) | - | - | - | - |
| (Decrease) / increase in accounts payable | - | - | (1 022) | - | - | - | - |
| Decrease / (increase) in accounts receivable | - | - | 22 | - | - | - | - |
| (Decrease) / increase in provisions | - | - | (88) | - | - | - | - |
| Cash flow from operating activities | - | 21 514 | (18 006) | (977) | 14 005 | 14 342 | 15 558 |
| Transfers from government | - | 55 699 | 43 920 | 77 282 | 67 008 | 70 166 | 72 403 |
| Of which: | | | | | | | |
| Capital | - | - | - | - | - | - | - |
| Current | - | 55 699 | 43 920 | 77 282 | 67 008 | 70 166 | 72 403 |
| Cash flow from investing activities | - | 6 308 | 880 | 1 210 | - | - | - |
| Acquisition of assets | - | 6 308 | 880 | 1 210 | - | - | - |
| Computer equipment | - | 1 996 | - | 180 | - | - | - |
| Furniture and office equipment | - | 2 717 | 203 | 550 | - | - | - |
| Other machinery and equipment | - | 162 | - | - | - | - | - |
| Other Intangibles | - | 1 433 | 677 | 480 | - | - | - |
| Other flows from investing activities | - | - | - | - | - | - | - |
| Cash flow from financing activities | - | - | - | - | - | - | - |
| Net increase / (decrease) in cash and cash equivalents | - | 27 822 | (17 126) | 233 | 14 005 | 14 342 | 15 558 |
| Balance sheet data | | | | | | | |
| Carrying value of assets | - | 5 642 | 4 382 | 2 453 | 1 412 | 797 | 318 |
| Computer equipment | - | 1 706 | 871 | 36 | - | - | - |
| Furniture and office equipment | - | 2 129 | 1 916 | 1 516 | 1 116 | 716 | 316 |
| Other Machinery and equipment | - | 608 | 435 | 173 | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - |
| Transport assets | - | - | 315 | 237 | 159 | 81 | 2 |
| Computer software | - | 1 199 | 845 | 491 | 137 | - | - |
| Investments | - | - | - | - | - | - | - |
| Cash and cash equivalents | - | 19 628 | 419 | 3 687 | 5 094 | 6 271 | 7 374 |
| Receivables and prepayments | - | - | - | - | - | 14 120 | 29 444 |
| Inventory | - | - | - | - | - | - | - |
| Total assets | - | 25 270 | 4 801 | 6 140 | 6 506 | 21 188 | 37 136 |
| Capital and reserves | - | 20 969 | 1 433 | 1 404 | 1 393 | 15 513 | 30 837 |
| Accumulated reserves | - | - | 20 839 | 1 393 | 1 393 | 1 393 | 15 513 |
| Surplus / (Deficit) | - | 20 839 | (19 446) | (999) | - | 14 120 | 15 324 |
| Other | - | 130 | 40 | 1 010 | - | - | - |
| Borrowings | - | - | - | - | - | - | - |
| Post retirement benefits | - | - | - | - | - | - | - |
| Trade and other payables | - | 3 086 | 2 064 | 2 291 | 3 133 | 3 478 | 3 861 |
| Deferred income | - | - | - | - | - | - | - |
| Provisions | - | 1 215 | 1 304 | 1 447 | 1 980 | 2 197 | 2 439 |
| Leave pay provision | - | 1 215 | 1 304 | 1 447 | 1 980 | 2 197 | 2 439 |
| Funds managed (e.g. Poverty alleviation fund) | - | - | - | - | - | - | - |
| Contingent liabilities | - | - | - | 998 | - | - | - |
| Total equity and liabilities | - | 25 270 | 4 801 | 6 140 | 6 506 | 21 188 | 37 136 |

*The surplus is as a result of the accounting treatment of receivables and prepayments.

Table 4.AA : Personnel summary for Ithala

| Headcount | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|------------|------------|------------------|-----------------------|------------|------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| A. Permanent and full-time-contract employees | | | | | | | |
| Personnel cost (R thousand) | 318 995 | 338 457 | 351 957 | 416 764 | 454 354 | 492 460 | 527 124 |
| Personnel numbers (head count) | 918 | 885 | 922 | 880 | 956 | 956 | 956 |
| Unit cost | 347 | 382 | 382 | 474 | 475 | 515 | 551 |
| B. Part-time and temporary contract employees | | | | | | | |
| Personnel cost (R thousand) | - | - | - | - | - | - | - |
| Personnel numbers (head count) | - | - | - | - | - | - | - |
| Unit cost | - | - | - | - | - | - | - |
| C. Interns | | | | | | | |
| Personnel cost (R thousand) | - | - | - | - | - | - | - |
| Personnel numbers (head count) | - | - | - | - | - | - | - |
| Unit cost | - | - | - | - | - | - | - |
| Total for entity | | | | | | | |
| Personnel cost (R thousand) | 318 995 | 338 457 | 351 957 | 416 764 | 454 354 | 492 460 | 527 124 |
| Personnel numbers (head count) | 918 | 885 | 922 | 880 | 956 | 956 | 956 |
| Unit cost | 347 | 382 | 382 | 474 | 475 | 515 | 551 |
| D. Learnerships | | | | | | | |
| Personnel cost (R thousand) | - | - | - | - | - | - | - |
| Personnel numbers (head count) | - | - | - | - | - | - | - |
| Unit cost | - | - | - | - | - | - | - |
| Details of personnel numbers according to salary level | | | | | | | |
| Salary level | | | | | | | |
| Board Members | 24 | 23 | 19 | 22 | 22 | 22 | 22 |
| Executive Management | 9 | 9 | 9 | 7 | 7 | 7 | 7 |
| Senior Management | 28 | 24 | 25 | 24 | 31 | 31 | 31 |
| Middle Management | 339 | 135 | 123 | 126 | 154 | 154 | 154 |
| Professionals | 139 | 345 | 359 | 348 | 381 | 381 | 381 |
| Semi-skilled | 318 | 289 | 309 | 298 | 306 | 306 | 306 |
| Very low skilled | 85 | 83 | 78 | 77 | 77 | 77 | 77 |
| Total | 942 | 908 | 903 | 880 | 956 | 956 | 956 |

Table 4.BB : Personnel summary for EKZNW

| Headcount | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|--------------|--------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| A. Permanent and full-time-contract employees | | | | | | | |
| Personnel cost (R thousand) | 434 665 | 454 780 | 507 414 | 544 081 | 596 530 | 619 528 | 666 458 |
| Personnel numbers (head count) | 2 643 | 2 667 | 2 902 | 2 967 | 2 967 | 2 567 | 2 567 |
| Unit cost | 164 | 171 | 175 | 183 | 201 | 241 | 260 |
| B. Part-time and temporary contract employees | | | | | | | |
| Personnel cost (R thousand) | 10 016 | 12 409 | 13 620 | 10 359 | 11 022 | 11 716 | 12 454 |
| Personnel numbers (head count) | 550 | 552 | 561 | 393 | 393 | 393 | 393 |
| Unit cost | 18 | 22 | 24 | 26 | 28 | 30 | 32 |
| C. Interns | | | | | | | |
| Personnel cost (R thousand) | 772 | 1 376 | 1 990 | 2 812 | - | - | - |
| Personnel numbers (head count) | 26 | 41 | 78 | 123 | - | - | - |
| Unit cost | 30 | 34 | 26 | 23 | - | - | - |
| Total for entity | | | | | | | |
| Personnel cost (R thousand) | 445 453 | 468 565 | 523 024 | 557 252 | 607 552 | 631 244 | 678 912 |
| Personnel numbers (head count) | 3 219 | 3 260 | 3 541 | 3 483 | 3 360 | 2 960 | 2 960 |
| Unit cost | 138 | 144 | 148 | 160 | 181 | 213 | 229 |
| D. Learnerships | | | | | | | |
| Personnel cost (R thousand) | 30 | 795 | 555 | 755 | - | - | - |
| Personnel numbers (head count) | 2 | 51 | 29 | 51 | - | - | - |
| Unit cost | 15 | 16 | 19 | 15 | - | - | - |
| Details of personnel numbers according to salary level | | | | | | | |
| Salary level | | | | | | | |
| Board Members | 14 | 15 | 14 | 13 | 14 | 14 | 14 |
| Executive Management | 7 | 8 | 9 | 10 | 10 | 10 | 10 |
| Senior Management | 16 | 17 | 24 | 14 | 14 | 14 | 14 |
| Middle Management | 206 | 196 | 181 | 191 | 191 | 191 | 191 |
| Supervisory / Administrative | 240 | 235 | 232 | 231 | 231 | 231 | 231 |
| Semi-skilled | 1 419 | 1 396 | 1 386 | 1 411 | 1 411 | 1 411 | 1 411 |
| Very low skilled | 1 333 | 1 459 | 1 738 | 1 677 | 1 503 | 1 103 | 1 103 |
| Total | 3 235 | 3 326 | 3 584 | 3 547 | 3 374 | 2 974 | 2 974 |

Table 4.CC : Personnel summary for KZNSB

| | Audited Outcome | | | Revised Estimate 2014/15 | Medium-term Estimate | | |
|---|-----------------|------------|------------|-----------------------------|----------------------|------------|------------|
| | 2011/12 | 2012/13 | 2013/14 | | 2015/16 | 2016/17 | 2017/18 |
| A. Permanent and full-time-contract employees | | | | | | | |
| Personnel cost (R thousand) | 35 922 | 38 385 | 47 534 | 51 530 | 55 736 | 60 257 | 65 124 |
| Personnel numbers (head count) | 170 | 186 | 175 | 176 | 176 | 176 | 176 |
| Unit cost | 194 | 191 | 256 | 293 | 317 | 342 | 370 |
| B. Part-time and temporary contract employees | | | | | | | |
| Personnel cost (R thousand) | 307 | 292 | 3 977 | 2 587 | 3 171 | 3 377 | 3 596 |
| Personnel numbers (head count) | 14 | 17 | 13 | 31 | 31 | 31 | 31 |
| Unit cost | 22 | 17 | 229 | 83 | 102 | 109 | 116 |
| C. Interns | | | | | | | |
| Personnel cost (R thousand) | - | 53 | 4 | - | - | - | - |
| Personnel numbers (head count) | - | 1 | 1 | - | - | - | - |
| Unit cost | - | 53 | 4 | - | - | - | - |
| Total for entity | | | | | | | |
| Personnel cost (R thousand) | 36 229 | 38 730 | 51 515 | 54 117 | 58 907 | 63 634 | 68 720 |
| Personnel numbers (head count) | 184 | 204 | 189 | 207 | 207 | 207 | 207 |
| Unit cost | 197 | 190 | 273 | 261 | 285 | 307 | 332 |
| D. Learnerships | | | | | | | |
| Personnel cost (R thousand) | - | 82 | 36 | 450 | 40 | 45 | 47 |
| Personnel numbers (head count) | - | 17 | 10 | 25 | 10 | 10 | 10 |
| Unit cost | - | 5 | 4 | 18 | 4 | 5 | 5 |
| Details of personnel numbers according to salary level | | | | | | | |
| Salary level | | | | | | | |
| Board Members | 15 | 15 | 10 | 10 | 10 | 10 | 10 |
| Executive Management | 5 | 6 | 5 | 5 | 5 | 5 | 5 |
| Senior Management | 9 | 6 | 6 | 11 | 11 | 11 | 11 |
| Middle Management | 9 | 10 | 12 | 10 | 10 | 10 | 10 |
| Professionals | 32 | 35 | 32 | 36 | 36 | 36 | 36 |
| Semi-skilled | 29 | 33 | 33 | 35 | 35 | 35 | 35 |
| Very low skilled | 100 | 114 | 101 | 110 | 110 | 110 | 110 |
| Total | 199 | 219 | 199 | 217 | 217 | 217 | 217 |

Table 4.DD : Personnel summary for TKZN

| | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|-----------|-----------|------------------|-----------------------|-----------|-----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| A. Permanent and full-time-contract employees | | | | | | | |
| Personnel cost (R thousand) | 24 064 | 27 635 | 28 388 | 32 745 | 33 447 | 35 554 | 37 794 |
| Personnel numbers (head count) | 61 | 59 | 57 | 59 | 59 | 59 | 59 |
| Unit cost | 394 | 468 | 498 | 555 | 567 | 70 | 641 |
| B. Part-time and temporary contract employees | | | | | | | |
| Personnel cost (R thousand) | - | - | - | - | - | - | - |
| Personnel numbers (head count) | - | - | - | - | - | - | - |
| Unit cost | - | - | - | - | - | - | - |
| C. Interns | | | | | | | |
| Personnel cost (R thousand) | - | - | - | - | - | - | - |
| Personnel numbers (head count) | - | - | - | - | - | - | - |
| Unit cost | - | - | - | - | - | - | - |
| Total for entity | | | | | | | |
| Personnel cost (R thousand) | 24 064 | 27 635 | 28 388 | 32 745 | 33 447 | 35 554 | 37 794 |
| Personnel numbers (head count) | 61 | 59 | 57 | 59 | 59 | 59 | 59 |
| Unit cost | 394 | 468 | 498 | 555 | 567 | 603 | 641 |
| D. Learnerships | | | | | | | |
| Personnel cost (R thousand) | - | - | - | - | - | - | - |
| Personnel numbers (head count) | - | - | - | - | - | - | - |
| Unit cost | - | - | - | - | - | - | - |
| Details of personnel numbers according to salary level | | | | | | | |
| Salary level | | | | | | | |
| Board Members | 11 | 12 | 11 | 11 | 11 | 11 | 11 |
| Executive Management | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Senior Management | 5 | 6 | 5 | 6 | 6 | 6 | 6 |
| Middle Management | 10 | 10 | 8 | 10 | 10 | 10 | 10 |
| Professionals | 38 | 35 | 35 | 35 | 35 | 35 | 35 |
| Semi-skilled | 3 | 3 | 4 | 3 | 3 | 3 | 3 |
| Very low skilled | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Total | 72 | 71 | 68 | 70 | 70 | 70 | 70 |

Table 4.EE : Personnel summary for DTPC

| | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| A. Permanent and full-time-contract employees | | | | | | | |
| Personnel cost (R thousand) | 31 942 | 56 989 | 65 218 | 76 732 | 96 715 | 102 018 | 108 394 |
| Personnel numbers (head count) | 86 | 170 | 180 | 201 | 201 | 201 | 201 |
| Unit cost | 371 | 335 | 362 | 382 | 481 | 508 | 539 |
| B. Part-time and temporary contract employees | | | | | | | |
| Personnel cost (R thousand) | - | - | - | - | - | - | - |
| Personnel numbers (head count) | - | - | - | - | - | - | - |
| Unit cost | - | - | - | - | - | - | - |
| C. Interns | | | | | | | |
| Personnel cost (R thousand) | - | - | - | - | - | - | - |
| Personnel numbers (head count) | - | - | - | - | - | - | - |
| Unit cost | - | - | - | - | - | - | - |
| Total for entity | | | | | | | |
| Personnel cost (R thousand) | 31 942 | 56 989 | 65 218 | 76 732 | 96 715 | 102 018 | 108 394 |
| Personnel numbers (head count) | 86 | 170 | 180 | 201 | 201 | 201 | 201 |
| Unit cost | 371 | 335 | 362 | 382 | 481 | 508 | 539 |
| D. Learnerships | | | | | | | |
| Personnel cost (R thousand) | - | - | - | - | - | - | - |
| Personnel numbers (head count) | - | - | - | - | - | - | - |
| Unit cost | - | - | - | - | - | - | - |
| Details of personnel numbers according to salary level | | | | | | | |
| Salary level | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Board Members | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Executive Management | 8 | 6 | 6 | 7 | 7 | 7 | 7 |
| Senior Management | 10 | 15 | 11 | 17 | 17 | 17 | 17 |
| Middle Management | 19 | 12 | 28 | 36 | 36 | 36 | 36 |
| Junior Management | 18 | 18 | 48 | 53 | 53 | 53 | 53 |
| Support and Administration | 5 | 98 | 76 | 77 | 77 | 77 | 77 |
| Very low skilled | 26 | 21 | 11 | 11 | 11 | 11 | 11 |
| Total | 92 | 176 | 186 | 207 | 207 | 207 | 207 |

Table 4.FF : Personnel summary for TIK

| | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|-----------|-----------|------------------|-----------------------|-----------|-----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| A. Permanent and full-time-contract employees | | | | | | | |
| Personnel cost (R thousand) | 25 588 | 29 025 | 32 540 | 34 340 | 38 377 | 39 001 | 42 601 |
| Personnel numbers (head count) | 48 | 51 | 53 | 54 | 60 | 62 | 62 |
| Unit cost | 533 | 569 | 614 | 636 | 640 | 629 | 687 |
| B. Part-time and temporary contract employees | | | | | | | |
| Personnel cost (R thousand) | 5 | 25 | 60 | 30 | 45 | 30 | 30 |
| Personnel numbers (head count) | 5 | 7 | 7 | 4 | 3 | 3 | 3 |
| Unit cost | 1 | 4 | 9 | 8 | 15 | 10 | 10 |
| C. Interns | | | | | | | |
| Personnel cost (R thousand) | - | - | - | - | - | - | - |
| Personnel numbers (head count) | - | - | - | - | - | - | - |
| Unit cost | - | - | - | - | - | - | - |
| Total for entity | | | | | | | |
| Personnel cost (R thousand) | 25 592 | 29 050 | 32 600 | 34 370 | 38 422 | 39 031 | 42 631 |
| Personnel numbers (head count) | 53 | 58 | 60 | 58 | 63 | 65 | 65 |
| Unit cost | 533 | 501 | 543 | 593 | 610 | 600 | 656 |
| D. Learnerships | | | | | | | |
| Personnel cost (R thousand) | 1 037 | 572 | 749 | 750 | 790 | 800 | 850 |
| Personnel numbers (head count) | 33 | 20 | 26 | 27 | 29 | 31 | 33 |
| Unit cost | 31 | 29 | 29 | 28 | 27 | 26 | 26 |
| Details of personnel numbers according to salary level | | | | | | | |
| Salary level | | | | | | | |
| Board Members | 11 | 11 | 9 | 11 | 11 | 11 | 11 |
| Executive Management | 2 | 2 | 7 | 7 | 7 | 7 | 7 |
| Senior Management | 7 | 7 | 3 | 3 | 6 | 6 | 6 |
| Middle Management | 14 | 16 | 16 | 16 | 17 | 17 | 17 |
| Professionals | 16 | 18 | 19 | 20 | 21 | 21 | 21 |
| Semi-skilled | 13 | 14 | 14 | 11 | 10 | 12 | 12 |
| Very low skilled | 1 | 1 | 1 | 1 | 2 | 2 | 2 |
| Total | 64 | 69 | 69 | 69 | 74 | 76 | 76 |

Table 3.GG : Personnel summary for RBIDZ

| | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|-----------|-----------|------------------|-----------------------|-----------|-----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| A. Permanent and full-time-contract employees | | | | | | | |
| Personnel cost (R thousand) | 19 287 | 21 251 | 16 982 | 14 422 | 27 959 | 29 105 | 31 428 |
| Personnel numbers (head count) | 28 | 28 | 23 | 29 | 47 | 55 | 61 |
| Unit cost | 689 | 759 | 738 | 497 | 595 | 529 | 515 |
| B. Part-time and temporary contract employees | | | | | | | |
| Personnel cost (R thousand) | - | 135 | - | - | - | - | - |
| Personnel numbers (head count) | - | 3 | - | - | - | - | - |
| Unit cost | - | 45 | - | - | - | - | - |
| C. Interns | | | | | | | |
| Personnel cost (R thousand) | 270 | 237 | 186 | 194 | 255 | 281 | 309 |
| Personnel numbers (head count) | 5 | 7 | 3 | 4 | 4 | 4 | 4 |
| Unit cost | 54 | 34 | 62 | 48 | 64 | 70 | 77 |
| Total for entity | | | | | | | |
| Personnel cost (R thousand) | 19 557 | 21 623 | 17 168 | 14 616 | 28 214 | 29 386 | 31 737 |
| Personnel numbers (head count) | 33 | 38 | 26 | 33 | 51 | 59 | 65 |
| Unit cost | 593 | 569 | 660 | 443 | 553 | 498 | 488 |
| D. Learnerships | | | | | | | |
| Personnel cost (R thousand) | - | - | - | - | - | - | - |
| Personnel numbers (head count) | - | - | - | - | - | - | - |
| Unit cost | - | - | - | - | - | - | - |
| Details of personnel numbers according to salary level | | | | | | | |
| Salary level | | | | | | | |
| Board Members | 5 | 12 | 12 | 12 | 12 | 12 | 12 |
| Executive Management | 7 | 6 | 6 | 6 | 6 | 6 | 6 |
| Senior Management | 12 | 12 | 10 | 12 | 19 | 21 | 21 |
| Middle Management | - | - | - | - | - | - | - |
| Professionals | - | - | - | - | - | - | - |
| Skilled | 4 | 5 | 5 | 6 | 14 | 20 | 26 |
| Semi-skilled | 5 | 15 | 5 | 9 | 12 | 12 | 12 |
| Very low skilled | - | 0 | - | - | - | - | - |
| Total | 33 | 50 | 38 | 45 | 63 | 71 | 77 |

Table 4.HH : Personnel summary for KZNLA

| | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|-----------|------------|------------------|-----------------------|-----------|-----------|
| | 2011/12 | 2012/13 | 2013/14 | | 2014/15 | 2015/16 | 2016/17 |
| A. Permanent and full-time-contract employees | | | | | | | |
| Personnel cost (R thousand) | - | 12 003 | 32 514 | 35 248 | 39 367 | 41 013 | 43 599 |
| Personnel numbers (head count) | - | 78 | 81 | 92 | 92 | 92 | 92 |
| Unit cost | - | 154 | 401 | 383 | 428 | 446 | 474 |
| B. Part-time and temporary contract employees | | | | | | | |
| Personnel cost (R thousand) | - | 388 | 988 | - | - | - | - |
| Personnel numbers (head count) | - | 11 | 17 | - | - | - | - |
| Unit cost | - | 35 | 58 | - | - | - | - |
| C. Interns | | | | | | | |
| Personnel cost (R thousand) | - | - | - | 44 | 44 | 44 | 44 |
| Personnel numbers (head count) | - | - | - | 12 | 12 | 12 | 12 |
| Unit cost | - | - | - | 4 | 4 | 4 | 4 |
| Total for entity | | | | | | | |
| Personnel cost (R thousand) | - | 12 391 | 33 502 | 35 292 | 39 411 | 41 057 | 43 643 |
| Personnel numbers (head count) | - | 89 | 98 | 104 | 104 | 104 | 104 |
| Unit cost | - | 139 | 342 | 339 | 379 | 395 | 420 |
| D. Learnerships | | | | | | | |
| Personnel cost (R thousand) | - | - | - | - | - | - | - |
| Personnel numbers (head count) | - | - | - | - | - | - | - |
| Unit cost | - | - | - | - | - | - | - |
| Details of personnel numbers according to salary level | | | | | | | |
| Salary level | | | | | | | |
| Board Members | - | 5 | 5 | 5 | 5 | 5 | 5 |
| Executive Management | - | 1 | - | - | - | - | - |
| Senior Management | - | 4 | 4 | 4 | 4 | 4 | 4 |
| Middle Management | - | 11 | 12 | 12 | 12 | 12 | 12 |
| Professionals | - | 45 | 48 | 48 | 48 | 48 | 48 |
| Semi-skilled | - | 28 | 34 | 28 | 28 | 28 | 28 |
| Very low skilled | - | - | - | - | - | - | - |
| Total | - | 94 | 103 | 97 | 97 | 97 | 97 |

VOTE 5

Education

| | |
|---------------------------------|-------------------|
| Operational budget | R 42 140 533 423 |
| MEC remuneration | R 1 821 577 |
| Total amount to be appropriated | R 42 142 355 000 |
| Responsible MEC | MEC for Education |
| Administering department | Education |
| Accounting officer | Head: Education |

1. Overview

Vision

The vision of the Department of Education (DOE) is: *A well-educated, skilled and highly developed citizenry.*

Mission statement

The department's mission is: *To provide equitable access to quality education for the people of KwaZulu-Natal.*

Strategic goals

Strategic policy directions: These are directly linked to the 14 national outcomes, which also inform the department's strategic goals and objectives, as listed below:

- Quality basic education.
- Skilled and capable workforce to support an inclusive growth path.

Six strategic goals encapsulate the department's contribution toward the achievement of national and provincial goals, and all other international mandates within the context of MTSF 2014-2019 for the current electoral cycle, and national and provincial action plans. Hereunder are the department's strategic goals:

- Broaden access to education and provide resources.
- Improve schools' functionality and educational outcomes at all levels.
- Develop human resource and organisational capacity and enhance skills.
- Develop schools into centres of community focus, care and support.
- Ensure good corporate governance, management and an efficient administration.
- Promote national identity and social cohesion.

Core functions

The core functions of the department are summarised below:

Public Ordinary Schools

This is the department's primary function aimed at the provision of quality education and learning in schools, the development of educators to ensure that they are equipped to provide the best quality teaching and the provision of Learner Teacher Support Materials (LTSM). Also included in this programme are the provision of new schools and school facilities, monitoring of the quality of education services, and giving support to learners on the curriculum. Lastly, the function includes the provision of food to Public

Ordinary School learners from the poorest communities, through the National School Nutrition Programme (NSNP). Other conditional grants that are aimed at uplifting the quality of education are also in this programme and these include, but are not limited to, the Maths, Science and Technology grant.

Public Special School Education

The aim of this programme is to provide public education in special schools and full-service schools.

Early Childhood Development (ECD)

This service evolved as a national initiative to strengthen pre-Grade R education, and to make it available to the majority of citizens.

Legislative mandates

The following pieces of legislation, among others, govern the operations of the department:

- The Constitution of the Republic of South Africa, No. 108 of 1996
- Public Service Act, No. 103 of 1994
- National Education Policy Act (NEPA), No. 27 of 1996
- South African Schools Act (SASA), No. 84 of 1996
- Employment of Educators Act, No. 76 of 1998
- South African Council for Educators (SACE) Act, No. 31 of 2000
- South African Qualifications Authority (SAQA) Act, No. 58 of 1995
- National Policy on HIV and AIDS for Learners and Educators in Public Schools and Students and Educators in FET Institutions, 1999
- Education White Paper 5 on Early Childhood Development, 2000
- Education White Paper 6 on Inclusive Education, 2001
- Curriculum and Assessment Policy Statement
- Labour Relations Act, No. 66 of 1995
- Employment Equity Act, No. 55 of 1998
- Public Finance Management Act, No. 1 of 1999, as amended and Treasury Regulations
- KZN Provincial SCM Policy Framework of 2006
- Preferential Procurement Policy Framework Act, No. 5 of 2000
- Promotion of Access to Information Act, No. 2 of 2000

2. Review for the 2014/15 financial year

Section 2 provides a review of 2014/15, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments. The budget for the year has been shaped by seven pillars that form the basis for the allocation of funds, which are discussed hereunder:

Curriculum management and delivery

Curriculum and Assessment Policy Statements (CAPS): The Grade 12 class of 2014 was the first group to write the CAPS aligned examination, which was incrementally implemented in Grades 7 to 9 and 12 late in 2013 to early 2014. In support of the implementation and to ensure readiness, educators were trained on CAPS delivery in the classroom. However, for the year under review, it is acknowledged that perhaps not sufficient training on the content knowledge was given to educators, (as seen in the decline in the results for the year, in both the National Senior Certificate (NSC) examinations, as well as the Annual National Assessments (ANA)) particularly in Grade 9 mathematics. As part of the turnaround strategy, this aspect

will be given more attention in 2015, utilising the teacher training institute to improve teacher quality. Concurrently, all the LTSM that was purchased and delivered to schools was CAPS aligned. In instances where textbooks were not available, adequate workbooks and related curriculum material were made available to schools.

Curriculum management and delivery strategy: This strategy was implemented in 2013 to ensure standardisation of managing teaching and learning in schools across the province. One of the components of the strategy was to monitor and measure curriculum coverage to ensure that all schools completed the syllabus before the end-of-year assessments. The strategy brought about strategic alignment of inputs toward curriculum delivery by the respective components, thereby ensuring that teaching and learning targets were met. By and large, through school monitoring, the Grade 12 syllabus was completed in time to allow for the remaining period to be used for revision, in preparation for the year-end examinations.

Technical secondary schools: The under-supply of technical schools to meet the need and demand for the delivery of technical education prompted the department to increase accessibility to technical subjects. In 2013/14, there were only 17 schools in six districts that offered a full set of four technology subjects (i.e. Civil, Electrical and Mechanical Engineering, Graphics and Design). In 2014, these schools increased to 30. Through the Technical Secondary Schools Recapitalisation grant allocation, a total of 50 schools were beneficiaries of state of the art machinery, equipment, computers and tools to enable learners to receive practical training. A total of 228 teachers in these schools received additional training and up-skilling in order to assist them to effectively deliver the curriculum. Furthermore, four high schools are now offering a full suite of Maritime Studies and an additional school has been converted into an Agricultural High School, increasing the number of these schools to four. The existing three schools were furnished with the latest tools, equipment and machinery in order to cope with the curriculum demands.

Mathematics, science and technology strategy: In order to enhance educator development and thus produce better learning outcomes with regard to mathematics and science, the department developed a Mathematics, Science and Technology strategy (MST). The strategy focuses on resourcing classrooms, provision of laboratories (mobile and fixed), provision of science consumables, interactive digital content on MST, provision of dictionaries, as well as further development of educators. Through the Dinaledi Schools grant, the department supplied 88 schools with e-boxes, which contain mathematics and science content.

Literacy and numeracy strategy: In response to the outcomes of ANA results of prior years, the implementation of the Literacy and Numeracy strategy (Grades R-9) continued. The strategy was further supported by the implementation of CAPS and the use of literacy and numeracy workbooks in Grades R-9, with progress measured by assessment tools. Central to the strategy, was the investment in the establishment of reading corners in schools, the revitalisation of library spaces in schools, the implementation of a compulsory daily reading period in all schools and the launching of the reading mentors programme. The benefits of this programme can be seen in the improved mathematics and literacy outcomes during the ANA for Grades R-6.

Examinations and assessments: The use of examinations and assessment tools as a measure for improvement of quality has received attention in recent years. However, the department recorded a decline in the NSC examination from 77.4 per cent in 2013 to 69.7 per cent in 2014 for the province. These figures are not inclusive of the supplementary examination results. The ANA in Grades 1-6 showed a steady increase, while Grade 9 results showed a steady increase in performance in 2013 compared to 2012, with average performance close to the performance target for 2014. However, the results for mathematics showed a decline. In response to this decline, the department prepared a turnaround strategy to deal with this, namely the MST which commenced in 2014/15.

Provision of classroom support resources and equipment

Learner Teacher Support Material: A new managing agent was appointed during the year in order to deliver LTSM. The provision and availability of LTSM on the first day of school at all schools is essential to the provision of quality education. As such, with regard to the schools that the department procures on behalf of, 100 per cent of stationery requisitioned and 99.96 per cent of textbooks requisitioned were

delivered by the end of November 2014 and thus were available on the first day. To compensate for unavailable textbooks, workbooks were made available to learners in these subjects.

Management at all levels

Effective and visible management at all levels of the department is the key catalyst which drives the implementation of all the department's programmes. With regard to management at the district level, an initiative known as the KZN Programme for the Improvement of Learning Outcomes (PILO), which was launched in 2014 as *Jika Imfundo*, was piloted in the districts of uThungulu and Pinetown. This programme focuses on the management of five priority areas that need the focus of a district manager, these being:

- Data management, in respect of learner numbers, educator numbers, etc.
- Human resource management (NSNP).
- Curriculum coverage (balanced multi-discipline groups).
- Governance and financial management.
- LTSM management in terms of utilisation and delivery.

Financial management

Budget reprioritisation and cost-containment strategy: Personnel spending remained a critical challenge and, thus, the budget reconfiguration process that commenced in 2013/14 was carried through to 2014/15. This reprioritisation and configuration was conducted in order to fund, among others, the increase in stipends of ECD practitioners (R5 000 to R5 500), increase in the hourly rate of Adult Education and Training (AET) practitioners (from R86.55 to R92.45 minimum per hour) upgrading of clerks' salary levels from level 4 to 5 in line with DPSA directives including PSCBC resolution 3 of 2009, OSD for education therapists, higher than budgeted 2014 annual wage adjustment, as well as the upgrade of principals' salaries as per the various wage agreements.

Compensation of employees: This continues to be the department's major cost driver. The department commenced the year with an estimated shortfall of R500 million for its *Compensation of employees* budget. In addition, during the year the 1 per cent above budget annual wage adjustment, amounting to R310 million, was not funded through the national fiscus, thus forcing the department to source funding from its infrastructure budget in this regard. This meant that R860 million had to be moved from the infrastructure budget to fund personnel costs. The department also continued to implement cost-cutting against various categories, including *Goods and services*, *Transfers and subsidies* and *Machinery and equipment*.

The reprioritisation of the budget to control the projected over-expenditure in *Compensation of employees* affected programmes such as ECD and special education. The moratorium on the filling of non-critical vacant posts is still in place. The policy on employment of substitute teachers toward year-end will also assist in reducing the personnel spending pressures. This departmental policy states that, during the revision period at the end of the school year, substitute teachers should not be appointed, in an attempt to curb pressures related to personnel costs.

A number of strategies are being implemented by the department with a view to better manage *Compensation of employees*. These include the head count initiative, the introduction of a real time electronic system to manage exits and thus terminate payments on time, etc.

Infrastructure

As mentioned above, the reduction in the equitable share budget for infrastructure in 2014/15 is an impediment in the roll-out of infrastructure and will have an impact on 2015/16 projects and beyond.

Public Private Partnerships (PPP): Pursuant to the appointment of the Transaction Advisors (TAs) in 2013/14, a steering committee was formed and four possible nodes/packages were identified for consideration. The TAs work on the finer details as prescribed by National Treasury. In the context of the disjuncture between the backlogs and the available budget, the realisation of the PPP would be to accelerate the speed with which the department achieves the outcomes of the minimum uniform norms and standards for public school infrastructure. However, this is dependent on the availability of funding.

The approach being adopted for this project is to develop specialist facilities such as science laboratories, multi-purpose classrooms, computer rooms and media centres as new build “add-in centres” into existing secondary schools in the pilot nodes. The project has reached the completion of the feasibility study stage of its project cycle and is awaiting a decision to continue to the next stage in obtaining National Treasury Approval 1.

School infrastructure: The department continues to display maturity in the application of the Infrastructure Delivery Improvement Programme (IDIP). Infrastructure planning and delivery continues to improve as evidenced by the department’s ability to spend its infrastructure allocation every year. The planning process has embraced the recently published infrastructure norms and standards in the provision of learning spaces. The cost implication of implementing the infrastructure norms and standards as gazetted is currently under investigation, as there are minimum targets that have to be met. However, the reduction of the budget has had a negative impact on the roll-out of the infrastructure programme.

Unpredictable weather patterns continue to disrupt the normal roll-out of infrastructure programmes and have had an adverse impact on schools. The costs of these repairs are mainly borne by the department, as the disaster funds from national are minimal. The consequence of this was that other equally important infrastructure programmes such as new schools, upgrades and additions, as well as maintenance had to be sacrificed in order to deal with the emergency situations at affected schools.

Special schools infrastructure: The scaling up of special schools infrastructure remains an important effort in terms of granting access to education for learners with special needs.

ECD infrastructure: As a consequence of White Paper 5 of 2001, where universal access to Grade R by 2014 was promulgated, the department has been engaged in an aggressive programme to provide Grade R facilities to meet this target. Over and above the schools identified by districts to receive these facilities, through a dedicated ECD budget, the inclusion of ECD facilities at all new primary schools and upgrades to existing primary schools are now the norm.

National School Nutrition Programme (NSNP)

There is daily provision of nutritious meals to approximately two million learners in 5 258 schools. This constitutes just above 80 per cent of learners of compulsory school-going age. The programme employs the services of 1 754 service providers, who are either SMMEs or co-operatives that are contracted to supply meals to learners.

Further Education and Training (FET)

The FET Act of 2006 places some responsibility on the accounting officer and the executive to perform with regard to the FET colleges. Notwithstanding, the existence of a protocol agreement, the ability to perform such administrative responsibilities over the FET colleges is difficult as they have a direct reporting line to the Department of Higher Education and Training (DHET). Since 2013/14, DHET has taken over the function of disbursing funds to the colleges. However, a decision was taken to the effect that 2014/15 is the last year in which this programme will form part of Vote 5, as the full control of the programme will move to DHET, effective 1 April 2015.

Adult Education and Training

As with the FET programme, a decision was taken that 2014/15 is the last year in which this programme will form part of Vote 5, as full control of this programme will move to DHET, effective 1 April 2015.

3. Outlook for the 2015/16 financial year

Section 3 looks at the key focus areas of 2015/16, outlining what the department is targeting to achieve during the year, as well as briefly looking at the challenges, and proposed new developments. The analysis is done according to the revised seven pillars of the prior year.

The largest share of the department’s budget allocation is for the provision of personnel. This is reflected in the 2015/16 MTEF budget allocation, whereby 82.8 per cent is allocated toward *Compensation of employees*. The department will utilise these funds for the provision of educators and to fund the carry-

through costs of the various wage agreements. Furthermore, the department reprioritised funds from the infrastructure budget in order to ease pressures against its personnel budget. The spending focus over the MTEF period will be on improving curriculum delivery, particularly through ensuring access to high quality LTSM. In this regard, an estimated R1.435 billion is budgeted for LTSM for all schools, including ECD transfers to schools. All learners in quintiles 1, 2 and 3 schools will continue to be fed through the NSNP grant. The department is considering extending the supply of NSNP to schools which have not addressed the issue of racial integration. In this regard, the grant allocation for 2015/16 increases to R1.287 billion. The total allocation for norms and standards for 2015/16 is R2.124 billion.

Notwithstanding the fiscal consolidation and budget cuts implemented against the equitable share, as well as the conditional grants, the department will continue to make provision of special schools' infrastructure its focus, in order to grant access to education for learners with special needs. The department will also increase the number of ECD classrooms so that more schools that offer Grade R will have appropriate facilities. In this regard, the Education Infrastructure grant increases by R92.754 million in 2015/16, this relates to the fact that this grant has become incentive-based.

The transformation of the schooling system

This programme will continue to be implemented, with the focus on community involvement, through the resuscitation of the Quality Learning and Teaching Committees (QLTC). These committees are constituted by various stakeholders at various levels, with a view of getting them actively involved in education.

The alignment of schools remains a focus for the department in order to ensure that there are not many typologies of schools that exist within the schooling system. As such, special focus will be paid to largely, multi-grade schools through the introduction of the specially designed toolkit for these schools, through the rural academic support section of the department.

The education and skills pillar will focus on the provision of the curriculum that will support the required skills base through the agricultural, technical and maritime schools. A budget has been set aside to continue with the incremental provision of the skills base of the province through the agricultural, maritime and other types of technical schools. This will be achieved through the resourcing of these schools.

The PILO project will be gradually extended to other districts during the year, and will thus address the matters of management at a district level.

Early Childhood Development

White Paper 5 of 2000 set specific targets with regard to five-year olds that were supposed to be in Grade R by 2014. The department reached and exceeded this target, as 93 per cent of five-year olds were in Grade R classes by 2014. Therefore, the target for access has been reached and the challenge is to improve the quality of education that is offered.

This programme has experienced the brunt of financial control measures in previous years. For this year, plans are commencing to ensure that service delivery is not affected. As such, of the current 156 community centres with Grade R classes, all will be assisted through the payment of stipends to the practitioners, as well as the provision of core material. In the Pre-Grade R sub-programme, provision has been made for the training of practitioners, and the provision of the core material. Of significance is the pilot programme that will be run in 15 crèches in the districts of Umzinyathi, Uthukela and Amajuba, as the department investigates the concept of model crèches. The department will train the care-givers in the curriculum delivery. The Grade R classes in public schools will benefit through the additional provision of equipment and furniture where this may be inadequate.

Curriculum management and delivery

Curriculum and Assessment Policy Statements: The 2014 Grade 12 class was the first group to write the CAPS aligned examination. As mentioned, the results indicated a decline compared to the previous year. Because of this, the department developed an academic improvement plan focusing on the following areas:

- Enhanced accountability at all levels of the system.

- Greater focus on basic functionality of schools.
- Protecting time for teaching and learning.
- Improved support for teaching and learning.
- Increased efforts on time on task (monitoring tool to ensure educators are in class on time and teaching).
- Resource provisioning.

Examinations and assessments: The department will continue with its comprehensive planning and vigorous monitoring of the various examinations that it administers, including the NSC examinations, common assessments and ANA. The department will continue to analyse learner performance in these examinations to assist it to prepare a response plan to either poor curriculum delivery or content knowledge, or poor learner preparation or response to questions. Schools, through districts, will be encouraged to set, write and mark various tests that will assist to assess the learner attainment at all levels.

Curriculum coverage monitoring tool: This tool, developed in 2012/13, has proven to be effective in directing the department to schools that require intervention. It has also indicated that, while some schools might have indicated that they have covered the scope of the curriculum, the low attainment by learners could be an indication that there is a problem, thus allowing a focused intervention at all levels.

Mathematics, science and technology strategy: Learner performance with regard to these subjects remains a concern to the department. The strategy that was developed will continue to be implemented, monitored and evaluated, covering a wider base of schools, educators and needs. In this regard, plans are underway to establish a Mathematics and Science Academy in La Mercy through donor funding to foster the culture of strengthening the teaching of mathematics and sciences in the province. It should be noted that this is still in the discussion and planning phase.

Literacy and numeracy strategy: The 2013/14 ANA has shown a steady increase in learner performance. Literacy and numeracy skills will continue to be a focus, particularly at the foundation phase. It is the department's intention that ANA reflect a marked improvement going forward, compared to previous years.

Teacher provision, development and support

Teacher supply: Funding is set aside in 2015/16 with a view to funding non-employees who meet the necessary criteria and wish to pursue a qualification in the teaching profession. However, the bursaries are no longer being funded from the skills levy but from a separate allocation. The ability to award bursaries in the future will have to be looked into. The allocation for the 2015/16 MTEF is provided for the current commitments. Support to educators will be provided as part of the overall subject advisory services and in-service training. The graduates from *Funza Lushaka*, which is a nationally administered bursary programme, will continue to assist with reducing the shortage of educators in schools.

Provision of classroom support resources and equipment

National School Nutrition Programme: The department is considering extending the supply of NSNP to schools which have not addressed the issue of racial integration. It has been realised that the quintile Ranking System seems to be discriminatory against schools ranked in higher quintiles, but accommodating pupils from the most disadvantaged sectors of the communities. The criteria to be considered for children to be fed outside the national feeding scheme are learners who are orphans, child headed families, learners receiving grants, distance travelled by learners to and from the schools and learners with unemployed parents. All learners in quintiles 1, 2 and 3 schools will continue to be fed. The department relies on various stakeholders to ensure that funding that is meant for learners is spent on learners, and matters of corruption and non-compliance to the menu are reported timeously.

Learner Teacher Support Material: The provision and availability of LTSM on the first day of school in all schools is one of the contributory factors to the provision of quality education. In this regard, the department will continue to pursue various options with a view to ensuring that each learner has a textbook for each subject. The 2015/16 budget for LTSM for all schools, including ECD transfers to schools, is R1.435 billion.

Norms and standards: The department provides norms and standards for public ordinary schools on a yearly basis. Schools are categorised into two funding categories, namely no fee schools and fee paying schools. The no fee schools are funded at R955 per learner, which is an increase of 2.5 per cent from 2014/15, while the recommended national funding norm is R1 116 per learner. This applies to schools ranked in quintiles 1, 2 and 3 in respect of the poverty ranking. It must be noted that the R1 116 per learner allocation is the no fee threshold. The fee paying schools in quintiles 4 and 5 are funded at R522 and R179 per learner, which is also an increase of 2.5 per cent per learner against a recommended national target of R559 and R193, respectively. The total allocation for norms and standards for 2015/16 is R2.124 billion. According to the National Poverty Distribution Table (not shown in this report), the number of learners in quintiles 1-3 should be 65.5 per cent. However, the number of learners in these quintiles is at 74 per cent, thus making an additional investment for these learners necessary and the department has therefore allocated a further R138 million in this regard.

Tools of trade for administration purpose: In previous years, the department has not been able to provide tools of trade, such as computers, vehicles, etc., to employees due to budget pressures, which affected service delivery. Funds have been set aside to supplement and/or replace the government vehicles, as well as furniture and equipment.

Infrastructure development and maintenance

Public Private Partnerships (PPP): The focus will be on conclusion of the affordability, value for money and risk transfer offered by each model in order to meet the requirements of National Treasury Approval 1.

School infrastructure: The department will implement the infrastructure norms and standards with added impetus now that they have been published. The programmes of new schools, curriculum support classrooms, laboratories, multi-purpose classrooms, the electrification programme, as well as sanitation and water programme will continue so that basic functionality in all schools can be achieved. The employment of additional technical staff as part of the Infrastructure Development Management System (IDMS) will go a long way in addressing the challenges of abandoned projects, long completion times, quality of completed work and the escalating costs of projects.

Special schools infrastructure: The department will continue to make the provision of special schools' infrastructure its focus in order to grant access to education for learners with special needs.

ECD infrastructure: In 2015/16, the department will increase the number of ECD classrooms so that more schools that offer Grade R will have appropriate facilities to do so.

Information and communication technology (ICT)

ICT is seen as a catalyst in terms of continuing with the quest for quality education. Various ICT platforms have been introduced in the province and the department will strengthen these. A cyber school technology solution is being investigated. If successful, this tool will be used to provide of quality educational services to enhance the online educational environment. This will be a one-stop site for development, e-learning and, communication solutions that work with experienced educators across the globe in designing and developing digital educational resources, portal and learning management systems.

At an administration level, the progressive upgrading of IT infrastructure will continue. Furthermore, investigations into various administrative systems are being pursued with a view to improving the efficiencies of the administration.

The Education Management Information System (EMIS) will be strengthened in order to improve the credibility of data submitted by schools and to ensure minimum human intervention in the process. This will assist the department in having accurate data at any given point in time and will thus provide adequate statistics for analytic and budget purposes.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 5.1 below shows the sources of funding for Vote 5: Education from 2011/12 to 2017/18. The table also compares actual and budgeted receipts against actual and budgeted payments. The total receipts for Vote 5 increase from R32.195 billion in 2011/12 to R46.488 billion in 2017/18. The department receives its funding through a provincial allocation and national conditional grants.

Changes to the budget and programme structure: The budget and programme structure of the department has been amended to align it with the revised uniform budget and programme structure for the sector as regulated for provincial Basic Education departments. The previous Programme 5: Further Education and Training and Programme 6: Adult Basic Education and Training have been removed in line with the policy decision to move these functions to DHET, as previously mentioned. Thus the total receipts for the period under review excludes the allocation for these programmes as reflected in the table below. These programmes no longer exist on the sector programme structure, as they have been removed in their entirety. To see the historic spending trends related to these, the 2014/15 *EPRE* can be referred to.

Table 5.1 : Summary of receipts and financing

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|-------------------|-------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Equitable share | 29 780 581 | 31 807 264 | 33 951 730 | 36 131 437 | 36 125 086 | 36 125 086 | 38 747 329 | 40 881 648 | 42 994 530 |
| Conditional grants | 2 414 520 | 2 670 487 | 2 615 744 | 2 786 655 | 2 796 382 | 2 796 382 | 3 395 026 | 3 328 443 | 3 493 536 |
| Education Infrastructure grant | 1 175 956 | 1 413 001 | 1 306 421 | 1 385 781 | 1 385 781 | 1 385 781 | 1 978 683 | 1 857 648 | 1 950 530 |
| HIV and AIDS (Life-Skills Education) grant | 45 114 | 46 806 | 38 907 | 52 261 | 61 988 | 61 988 | 50 588 | 53 096 | 56 115 |
| National School Nutrition Programme (NSNP) grant | 1 144 368 | 1 151 644 | 1 206 190 | 1 237 534 | 1 237 534 | 1 237 534 | 1 287 034 | 1 355 247 | 1 423 009 |
| Maths, Science and Technology grant | - | - | - | - | - | - | 59 998 | 62 452 | 63 882 |
| Technical Secondary Schools Recapitalisation grant | 36 762 | 40 490 | 42 717 | 45 280 | 45 280 | 45 280 | - | - | - |
| Dinaledi Schools grant | 12 320 | 17 546 | 18 509 | 19 568 | 19 568 | 19 568 | - | - | - |
| OSD for Education Sector Therapists grant | - | - | - | 41 581 | 41 581 | 41 581 | 13 079 | - | - |
| Social Sector EPWP Incentive Grant for Provinces | - | - | - | 2 580 | 2 580 | 2 580 | 3 000 | - | - |
| EPWP Integrated Grant for Provinces | - | 1 000 | 3 000 | 2 070 | 2 070 | 2 070 | 2 644 | - | - |
| Total receipts | 32 195 101 | 34 477 751 | 36 567 474 | 38 918 092 | 38 921 468 | 38 921 468 | 42 142 355 | 44 210 091 | 46 488 066 |
| Total payments | 32 809 703 | 34 556 731 | 37 156 042 | 38 918 092 | 39 066 103 | 39 092 741 | 42 142 355 | 44 210 091 | 46 488 066 |
| Surplus/(Deficit) before financing | (614 602) | (78 980) | (588 568) | - | (144 635) | (171 273) | - | - | - |
| Financing | | | | | | | | | |
| of which | | | | | | | | | |
| Provincial roll-overs | 102 069 | 29 515 | 97 381 | - | 45 635 | 45 635 | - | - | - |
| Provincial cash resources | - | 126 677 | 397 210 | - | 99 000 | 99 000 | - | - | - |
| Surplus/(Deficit) after financing | (512 533) | 77 212 | (93 977) | - | - | (26 638) | - | - | - |

Fiscal consolidation cuts were effected against most of the grants over the 2015/16 MTEF, except against the NSNP and OSD for Education Sector Therapists grants. In aggregate, the conditional grant allocation shows a steady increase from 2011/12 to 2017/18 due to the introduction of the OSD for the Education Sector Therapists grant in 2014/15, as well as the increase in the Education Infrastructure grant (EIG) in order to provide for general school infrastructure requirements, and the repair of infrastructure damaged by natural disasters. The NSNP grant has also seen a substantial increase from R1.144 billion in 2011/12 to R1.423 billion in 2017/18 to allow quintile 3 secondary schools to benefit from the programme.

With effect from the 2015/16 MTEF, the Dinaledi Schools grant and the Technical Secondary Schools Recapitalisation grant were merged into one grant, that is the Maths, Science and Technology grant. The new grant's baseline is the sum of the baseline allocations of the two previous grants. These similar and over-lapping programmes can be better administered and expanded to reach more schools through combining the grants, hence going forward these will be reflected as a new grant. It should be noted that this grant was affected by the fiscal consolidation cuts.

The EIG fluctuates over the period under review. As a result of the province submitting the required information to National Treasury, this grant sees an increase of R92.754 million in 2015/16 when compared to the 2014/15 allocation. Reforms were made to the provincial infrastructure grant system that was intended to institutionalise proper planning for infrastructure. Provinces were informed in 2012/13 by National Treasury that they will be required to bid for infrastructure allocations two years in advance and financial incentives will be built into the infrastructure grant for provinces that implement best practices.

The department was successful in bidding for the 2015/16 allocations due to its ability to spend on the infrastructure allocations. The growth fluctuates over the two outer years of the MTEF. Of this grant, R23.983 million is ring-fenced in 2015/16 for the rehabilitation of schools damaged by floods.

In 2011/12, the department received a roll-over of R102.069 million from 2010/11 in respect of under-spending on the NSNP grant. The amount in 2011/12 reflects over-expenditure of R512.533 million, which arose mainly from the reversal of the 'no work, no pay' journal amounting to R576 million, the carry-through effects of the under-funding of prior years, as well as the conversion of teacher aides to teacher assistants, rural incentives, filling of unfunded posts, increase in stipend for ECD practitioners and hourly rates of AET practitioners, without funding. The unfunded vacant posts arose as a result of the increased educator establishment in 2008/09 which, at the time, was fully funded. However, in the same year, the OSD for educators was introduced, which had the effect of increasing the educator unit cost, thus rendering the staff establishment unaffordable with some posts already filled. This was further exacerbated by the under-funding of OSD costs and various wage agreements that followed in subsequent years.

In 2012/13, R29.515 million was rolled over from 2011/12 in respect of the NSNP grant (R27.714 million) and Technical Secondary Schools Recapitalisation grant (R1.801 million). An amount of R126.677 million relates to additional funding received from provincial cash resources to partly address the spending pressures against *Compensation of employees*. The department ended the financial year with a surplus of R77.212 million mainly due to financial controls, enforced savings, as well as the under-spending against the NSNP and Technical Secondary Schools Recapitalisation grants.

In 2013/14, an amount of R97.381 million was rolled over from 2012/13 in respect of the NSNP grant (R93.515 million) and Technical Secondary Schools Recapitalisation grant (R3.866 million). The department received R397.210 million from provincial cash resources in order to deal with the ongoing pressures brought about by *Compensation of employees*. The department over-spent its budget by R93.977 million (after the removal of the allocation for the FET and ABET programmes).

In 2014/15, an amount of R45.635 million was rolled over from 2013/14 in respect of the NSNP grant, Technical Secondary Schools Recapitalisation grant, Dinaledi Schools grant, HIV and AIDS (Life-skills Education) grant and EPWP Integrated Grant for Provinces. An additional R99 million was added to the Main Appropriation in order to assist with the spending pressures against *Goods and services*. The pressures were due to the reprioritisation of funds to *Compensation of employees* rendering some of the essential services unfunded. Of significance is that no funding was received from National Treasury for the above budget 2014 wage adjustment estimated at R310 million. The continuous pressure exerted by *Compensation of employees* led to rigorous in-year reprioritisation and enforced savings which resulted in the reduction of the *Buildings and other fixed structures* budget by R860 million in the Adjustments Estimate. Notwithstanding the additional adjustments to the main budget, there is still a projected over-spending of R26.638 million as at the end of December 2014. However, it is anticipated that the projected over-spending might increase, based on invoices owed to Department of Public Works (DOPW) for infrastructure projects estimated at R352 million. As a result, and following engagements between the department and Provincial Treasury, it is anticipated that additional funding of some R355 million from the provincial fiscus will be provided in order to ease the pressures related to these outstanding infrastructure invoices.

The budget shows healthy growth over the MTEF, mainly due to the additional funding of R568.710 million over the 2015/16 MTEF from provincial cash resources to assist with the 2014 wage carry-through. Included in the 2015/16 and 2016/17 baselines, are the baseline cuts amounting to R2.401 billion (R1.173 billion and R1.228 billion, respectively), that were brought about by the change in the Census data.

4.2 Departmental receipts collection

Table 5.2 below illustrates the revenue collected by the DOE over the seven-year period. Details of these receipts are presented in Table 5.A in the *Annexure – Vote 5: Education*.

Table 5.2 : Summary of departmental receipts collection

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|----------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 36 780 | 40 938 | 48 668 | 46 108 | 46 108 | 46 108 | 50 156 | 55 467 | 58 564 |
| Transfers received | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | 11 677 | 1 579 | 1 424 | 307 | 307 | 307 | 321 | 341 | 358 |
| Sale of capital assets | 6 745 | - | - | - | - | - | - | - | - |
| Transactions in financial assets and liabilities | 33 903 | 43 295 | 57 402 | 26 784 | 26 784 | 26 784 | 30 768 | 31 876 | 33 470 |
| Total | 89 105 | 85 812 | 107 494 | 73 199 | 73 199 | 73 199 | 81 245 | 87 684 | 92 392 |

The prime source of own revenue for the department is *Sale of goods and services other than capital assets*. It includes commission earned on payroll deductions such as insurance and garnishees, examination and remarking fees, as well as fees for the viewing of scripts, and housing and parking rentals for staff members. It must be noted that it is difficult to accurately predict revenue collection from this category due to the nature of its source. The department anticipates fully collecting its revenue target for 2014/15. Growth over the MTEF can be ascribed to inflationary increments.

Interest, dividends and rent on land reflects a high collection in 2011/12 due to the discounts received from the procurement of LTSM, which were received late. This collection normalises in 2012/13 and 2013/14, as the discounts received were offset against expenditure, and are thus not reflected as revenue. The department also collects revenue in respect of interest charged on outstanding staff debts. Significant growth is expected over the MTEF due to the high growth in staff debt which the Provincial Treasury is closely monitoring.

The revenue collection against *Sale of capital assets* in 2011/12 was a result of selling obsolete moveable assets. No projections are reflected thereafter, as the department does not expect to hold any auctions.

Revenue collected under *Transactions in financial assets and liabilities* consists mainly of debts owed to the department, as well as refunds relating to previous years' expenditure. The high amounts collected from 2011/12 to 2013/14 are due to the department's concerted effort of debt collection. The fluctuating trend over the seven-year period is due to the difficulty in budgeting for the collection against this category. The budget increases over the 2015/16 MTEF in proportion to the escalating staff debt.

4.3 Donor funding

Tables 5.3 and 5.4 below reflect donor funding received and payments made.

The department received donor funds from the Royal Netherlands Embassy for the project to construct and equip a network of 120 districts and satellite education centre sites in various areas within the province. The bulk of the capital works took place in 2007/08, and was completed in 2010/11. No intention to continue with the donation was indicated with regard to 2011/12 and beyond. In 2010/11, the department incurred expenditure to the value of R4.366 million, for which it was reimbursed R4.616 million in 2011/12 as indicated.

Table 5.3 : Details of donor funding

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Donor funding | 4 616 | - | - | - | - | - | - | - | - |
| Royal Netherlands Embassy | 4 616 | - | - | - | - | - | - | - | - |
| Total | 4 616 | - | - | - | - | - | - | - | - |

Table 5.4 : Details of payments and estimates of donor funding

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---------------------------|-----------------|----------|----------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Donor funding | 712 | - | - | - | - | - | - | - | - |
| Royal Netherlands Embassy | 712 | - | - | - | - | - | - | - | - |
| Total | 712 | - | - | - | - | - | - | - | - |

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in the *Annexure – Vote 5: Education*.

5.1 Key assumptions

The following key assumptions were used in formulating the 2015/16 MTEF budget:

- National Treasury imposed fiscal consolidation cuts on the equitable share and conditional grant allocations of provinces for 2015/16 and 2016/17. In KZN, the bulk of the equitable share cut is absorbed by reducing the Contingency Reserve, stopping of the Strategic Cabinet Initiatives Fund, etc. As part of the fiscal consolidation, National Treasury has not provided any funding for the carry-through costs of the 2014 wage agreement, and the department therefore had to fund these by internal reprioritisation and lowering growth of non-essential item budgets. However, it should be noted that the department received an estimated 40 per cent from the provincial fiscus so as to assist with the carry-through effect of the 2014 annual wage adjustment, of which the estimated balance of 60 per cent will have to be funded from within the departmental baseline.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2014/15, will continue to be adhered to over the 2015/16 MTEF, in conjunction with National Treasury Instruction 01 of 2013/14: Cost-containment measures. However, the provincial cost-cutting measures have been updated to include those that were adopted by the Committee of HODs (COHODs) in December 2014, and an updated circular has been reissued to departments and public entities.
- Inflation related items have been based on CPI projections.
- Provision was made for an inflationary wage adjustment of 5.6, 5.5 and 5 per cent for each of the three years of the 2015/16 MTEF, respectively. The department also provided for the 1.5 per cent pay progression. However, due to the fact that the wage agreement has not been finalised, the department has budgeted at 6.4 per cent in 2015/16 and 6.3 per cent in 2016/17 and 2017/18 respectively, in order not to disturb service delivery programmes should the settlement be above the 5.6 per cent inflationary wage adjustment.
- No provision was made for the filling of vacant posts due to budgetary constraints. However, critical funded posts that become vacant during the year will be filled, bearing in mind the moratorium.
- The personnel budget does not cater for all the personnel numbers currently on the system (PERSAL), however, there is a significant reduction in the number of unfunded posts over the MTEF due to reprioritisation that was undertaken by the department.

5.2 Additional allocations for the 2013/14 to 2015/16 MTEF

Table 5.5 shows additional funding received by the department over the three MTEF periods: 2013/14 2014/15 and 2015/16. The table reflects only provincial additional allocations, and excludes additional allocations in respect of conditional grants. The purpose of this table is two-fold. Firstly, it shows the quantum of additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated. The carry-through allocations for the 2013/14 to 2014/15 MTEF periods (i.e. for the financial year 2017/18) are based on the incremental percentage used in the 2015/16 MTEF.

Table 5.5 : Summary of additional provincial allocations for the 2013/14 to 2015/16 MTEF

| R thousand | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|--|----------------|----------------|------------------|------------------|------------------|
| 2013/14 MTEF period | 487 818 | 240 333 | 958 290 | 1 002 371 | 1 052 490 |
| Carry-through of 2012 wage agreement | 897 007 | 1 098 841 | 1 561 529 | 1 633 359 | 1 715 027 |
| Census data update and 1%, 2% and 3% baseline cuts | (456 681) | (946 054) | (1 173 578) | (1 227 563) | (1 288 941) |
| Allocation of funds held in reserve for personnel spending pressures | 172 307 | 218 976 | 321 842 | 336 647 | 353 479 |
| Learner transport (portion moved to Transport) | (124 815) | (131 430) | (137 476) | (143 800) | (150 990) |
| National priorities: | - | - | 385 973 | 403 728 | 423 914 |
| Grade R teachers | - | - | 170 455 | 178 296 | 187 211 |
| Increased no. of teachers (quintile 1 schools) | - | - | 215 518 | 225 432 | 236 703 |
| 2014/15 MTEF period | | 311 252 | 522 759 | 610 404 | 640 924 |
| Education personnel spending pressures | | 50 000 | 60 000 | 65 000 | 68 250 |
| Re-grading of clerical staff | | 103 856 | 119 540 | 127 979 | 134 378 |
| Carry-through of previous wage agreements | | 198 896 | 386 349 | 449 110 | 471 566 |
| OSD for therapists | | - | - | 15 358 | 16 126 |
| Centralisation of communications budget under OTP | | (4 500) | (4 630) | (4 843) | (5 085) |
| Learner transport - final shift to Transport | | (37 000) | (38 500) | (42 200) | (44 310) |
| 2015/16 MTEF period | | | (135 652) | (122 070) | (59 374) |
| AET function shift to DHE: | | | (280 136) | (295 547) | (310 123) |
| Prog 1: Administration | | | (66 081) | (70 120) | (73 482) |
| Prog 6: AET | | | (187 232) | (197 155) | (207 013) |
| Prog 9: Aux and Associated Services (Pmts to SETA) | | | (9 728) | (10 254) | (10 746) |
| Prog 9: Aux and Associated Services (External examinations) | | | (17 095) | (18 018) | (18 882) |
| Provincial cash resources: Assist with 2014 wage carry-through | | | 144 484 | 173 477 | 250 749 |
| Total | 487 818 | 551 585 | 1 345 397 | 1 490 705 | 1 634 040 |

In the 2013/14 MTEF, National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the department was a substantial reduction in the budget over the entire period. The reduction amounted to some R2.576 billion over the MTEF period, thus putting further strain on the already pressurised departmental budget. This baseline reduction has had a negative impact on the department, especially against *Compensation of employees*.

Despite the baseline reduction in the 2013/14 MTEF, the department received some additional funding with regard to the carry-through effects of the 2012 wage agreement, as well as funding from Provincial Treasury to assist with the spending pressures in *Compensation of employees*. However, this additional funding was, to some extent, offset by the baseline reductions as the department tried to protect other priority areas such as infrastructure, from being severely affected by the reduction, thus utilising the additional funding to cushion the budget cuts. This resulted in the *Compensation of employees* allocation not growing to the extent of the inflationary adjustments, meaning that the department continued to experience spending pressures. Furthermore, the department also received additional funding for national priorities from 2015/16 to increase the number of teachers in quintile 1 schools, as well as increasing the number of Grade R teachers in order to reach the target for the universalisation of Grade R by 2014.

In the 2014/15 MTEF, the department's allocation was reduced by a total of R13.973 million over the three years in relation to the centralisation of parts of the communications budget under the Office of the Premier (OTP). The department received additional funding to deal with personnel spending pressures, re-grading of clerical staff salaries, carry-through of various wage agreements and OSD for therapists.

Also in the 2014/15 MTEF, the final shift of scholar transport to the Department of Transport (DOT) was completed, resulting in a suspension of the allocation from Vote 5: Education to Vote 12: Transport. The funding for the OSD for therapists was allocated as a conditional grant in 2014/15 and 2015/16 to allow for full implementation, and thereafter phased into the equitable share in 2016/17.

In the 2015/16 MTEF, the department's allocation was reduced by a total of R885.806 million over the three-year period, with regard to the AET function which is being suspended to DHET as from 1 April 2015. As reflected in the table above, the bulk of this function was in Programme 6 in terms of the previous budget programme structure. Several smaller reductions were made against Programme 9 in terms of the previous budget structure, relating to AET payments for SETA and external examinations, as

well as Programme 1. In addition, funds amounting to R568.710 million have been allocated over the MTEF to assist with the carry-through effect of the 2014 annual wage adjustment.

Note that additional funding was allocated in the 2012/13 MTEF for improving infrastructure support. Although no longer visible in Table 5.5, this funding was specifically and exclusively appropriated and the department has not yet completed the implementation of its revised infrastructure staffing structure that this funding was intended for. Thus amounts of R10.274 million, R10.746 million and R11.283 million remain ring-fenced for this purpose over the three years of the 2015/16 MTEF.

5.3 Summary by programme and economic classification

National Treasury, in consultation with the national Department of Basic Education, issued a directive on the new budget structure for the Education sector. The revised budget structure for the department has thus been reduced to seven programmes with effect from 2015/16, as shown in Table 5.6 below.

Table 5.6 : Reconciliation of structural changes: Education

| 2014/15 | 2015/16 |
|--|--|
| Programmes | Programmes |
| 1. Administration 1. Office of the MEC 2. Corporate Services 3. Education Management 4. Human Resource Development 5. Education Management Information System (EMIS) | 1. Administration 1. Office of the MEC 2. Corporate Services 3. Education Management 4. Human Resource Development 5. Education Management Information System (EMIS) |
| 2. Public Ordinary School Education 1. Public Primary Schools 2. Public Secondary Schools 3. Professional Services 4. Human Resource Development 5. In-school Sport and Culture 6. National School Nutrition Programme Grant 7. Technical Secondary Schools Recap Grant 8. EPWP Integrated Grant for Provinces 9. Dinaledi Schools Grant 10. Social Sector EPWP Incentive Grant for Provinces Grant | 2. Public Ordinary School Education 1. Public Primary Level 2. Public Secondary Level 3. Human Resource Development 4. School Sport, Culture and Media Services 5. Conditional Grants 5.1 National School Nutrition Programme grant 5.2 Maths, Science and Technology 5.3 Social Sector EPWP Incentive Grant for Provinces 5.4 EPWP Integrated Grant for Provinces |
| 3. Independent School Subsidies 1. Primary Phase 2. Secondary Phase | 3. Independent School Subsidies 1. Primary Level 2. Secondary Level |
| 4. Public Special School Education 1. Public Special Schools 2. Human Resource Management 3. OSD for Education Therapists grant | 4. Public Special School Education 1. Schools 2. Human Resource Development 3. Conditional Grants 3.1 OSD for Education Therapists grant |
| 5. Further Education and Training 1. Public Institutions 2. FET College Sector grant | 5. Early Childhood Development 1. Grade R in Public Schools 2. Grade R in Early Childhood Development Centres 3. Pre-Grade R Training 4. Human Resource Development |
| 6. Adult Basic Education and Training 1. Public Centres 2. Human Resource Development | 6. Infrastructure Development 1. Administration 2. Public Ordinary Schools 3. Special Schools 4. Early Childhood Development |
| 7. Early Childhood Development 1. Grade R In Early Childhood Development Centres 2. Grade R in Community Centres 3. Pre-grade R 4. Human Resource Development | 7. Examination and Education Related Services 1. Payments to SETA 2. Professional Services 3. External Examinations 4. Special Projects 5. Conditional Grants 5.1 HIV and AIDS (Life-Skills Education) grant |
| 8. Infrastructure Development 1. Administration Infrastructure 2. Public Ordinary School Infrastructure 3. Public Special School Education Infrastructure 4. FET Infrastructure 5. Early Childhood Development Infrastructure | |
| 9. Auxiliary and Associated Services 1. Payments to SETA 2. Special Projects - Masifundisane 3. Examination Services 4. Professional Services 5. HIV and AIDS (Life-Skills Education) Grant | |

Tables 5.7 and 5.8 provide a summary of the vote's payments and budgeted estimates by programme and economic classification, respectively, for the seven-year period.

In terms of Section 34(2) of the PFMA, and in line with SCOPA resolutions by the Legislature on the 9 December 2014, the department is liable for the repayment of previous year's over-spending which resulted in unauthorised expenditure. This resulted in two instalments of the first charge of R31.892 million being implemented against the budget in 2015/16 and 2016/17 and the third instalment of R31.893 million in 2017/18, which is reflected under Programme 1 and *Payments for financial assets*.

The expenditure and budget over the period under review reflects healthy growth, as explained below.

Table 5.7 : Summary of payments and estimates by programme: Education

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|-------------------|-------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 1 325 061 | 1 236 880 | 1 444 983 | 1 308 054 | 1 430 703 | 1 442 045 | 1 618 968 | 1 779 706 | 1 776 340 |
| 2. Public Ordinary School Education | 26 989 807 | 28 296 228 | 30 682 509 | 32 638 540 | 33 043 743 | 33 056 455 | 35 070 344 | 37 040 565 | 39 259 969 |
| 3. Independent School Subsidies | 63 114 | 65 573 | 77 701 | 74 395 | 74 395 | 74 395 | 77 817 | 81 941 | 86 038 |
| 4. Public Special School Education | 725 607 | 727 551 | 845 431 | 844 012 | 876 012 | 885 676 | 931 199 | 988 588 | 1 050 196 |
| 5. Early Childhood Development | 345 625 | 462 867 | 437 335 | 651 468 | 651 468 | 522 604 | 695 420 | 752 517 | 780 865 |
| 6. Infrastructure Development | 2 196 742 | 2 695 724 | 2 546 896 | 2 722 349 | 1 862 349 | 1 862 349 | 2 529 235 | 2 278 828 | 2 185 531 |
| 7. Examination and Education Related Services | 1 163 747 | 1 071 908 | 1 121 187 | 679 274 | 1 127 433 | 1 249 217 | 1 219 372 | 1 287 946 | 1 349 127 |
| Total | 32 809 703 | 34 556 731 | 37 156 042 | 38 918 092 | 39 066 103 | 39 092 741 | 42 142 355 | 44 210 091 | 46 488 066 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (31 892) | (31 892) | (31 893) |
| Baseline available for spending after 1st charge | 32 809 703 | 34 556 731 | 37 156 042 | 38 918 092 | 39 066 103 | 39 092 741 | 42 110 463 | 44 178 199 | 46 456 173 |

Table 5.8 : Summary of payments and estimates by economic classification: Education

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|-------------------|-------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 29 342 252 | 30 423 139 | 33 110 544 | 34 480 654 | 35 518 259 | 35 508 167 | 37 854 591 | 40 224 803 | 42 551 909 |
| Compensation of employees | 26 207 123 | 27 557 742 | 29 930 297 | 31 449 693 | 32 243 560 | 32 199 501 | 34 371 860 | 36 677 894 | 38 979 770 |
| Goods and services | 3 134 659 | 2 865 137 | 3 174 510 | 3 030 961 | 3 274 699 | 3 306 983 | 3 482 731 | 3 546 909 | 3 572 139 |
| Interest and rent on land | 470 | 260 | 5 737 | - | - | 1 683 | - | - | - |
| Transfers and subsidies to: | 1 347 411 | 1 553 435 | 1 666 384 | 1 831 551 | 1 793 404 | 1 827 833 | 1 899 212 | 1 837 775 | 1 928 253 |
| Provinces and municipalities | 1 048 | 1 573 | 740 | 1 100 | 2 100 | 2 061 | 1 100 | 1 158 | 1 216 |
| Departmental agencies and accounts | 18 944 | 19 891 | 22 358 | 22 030 | 22 030 | 22 030 | 78 139 | 83 257 | 88 762 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 1 200 442 | 1 438 345 | 1 533 936 | 1 747 676 | 1 708 529 | 1 674 383 | 1 744 904 | 1 674 312 | 1 755 272 |
| Households | 126 977 | 93 626 | 109 350 | 60 745 | 60 745 | 129 359 | 75 069 | 79 048 | 83 003 |
| Payments for capital assets | 2 120 040 | 2 580 157 | 2 379 114 | 2 605 887 | 1 754 440 | 1 756 741 | 2 356 660 | 2 115 621 | 1 976 011 |
| Buildings and other fixed structures | 2 096 447 | 2 463 371 | 2 359 254 | 2 572 937 | 1 712 937 | 1 725 705 | 2 289 652 | 2 020 930 | 1 922 255 |
| Machinery and equipment | 23 581 | 116 648 | 19 860 | 32 950 | 41 503 | 31 036 | 63 008 | 90 691 | 49 756 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 12 | 138 | - | - | - | - | 4 000 | 4 000 | 4 000 |
| Payments for financial assets | - | - | - | - | - | - | 31 892 | 31 892 | 31 893 |
| Total | 32 809 703 | 34 556 731 | 37 156 042 | 38 918 092 | 39 066 103 | 39 092 741 | 42 142 355 | 44 210 091 | 46 488 066 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (31 892) | (31 892) | (31 893) |
| Baseline available for spending after 1st charge | 32 809 703 | 34 556 731 | 37 156 042 | 38 918 092 | 39 066 103 | 39 092 741 | 42 110 463 | 44 178 199 | 46 456 173 |

Programme 1's growth fluctuates over the period under review, with 2011/12 being higher compared to 2012/13 due to vigorous financial control and enforced savings implemented in the latter financial year. The 2014/15 Adjusted Appropriation reflects an upward revision due to in-year adjustments in order to curb the projected over-expenditure. This was mainly due to the implementation of the re-grading of posts for security guards from levels 1, 2 to 3 as per DPSA PSCBC Resolution 3 of 2009. It should be noted that the province delayed the implementation of the post upgrades in previous years, due to budget pressures against *Compensation of employees*. However, in order to avoid grievances by the security personnel, the department was forced to implement the resolution. The 2014/15 Revised Estimate is higher than the Adjusted Appropriation mainly due to the spending pressures against *Compensation of employees* and *Goods and services*. The programme's budget reflects strong growth over the MTEF as a result of

reprioritisation to ease pressures against *Compensation of employees* and *Goods and services* relating to the carry-through costs associated with the higher than budgeted 2014 annual wage adjustments, and the re-grading of posts for security guards. This programme has borne the brunt of cost-containment measures over the years, as funds were moved from *Goods and services* to ease pressures against *Compensation of employees* in Programme 2. As a result, the budget growth was low due to continuous reprioritisation to fund core programmes.

Programme 2: Public Ordinary School Education reflects significant growth over the seven-year period, largely influenced by spending and additional funding that was made available for the various wage and OSD agreements, as well as funding of national priorities such as LTSM, expansion of no fee schools, reduction of L:E ratio, etc. *Compensation of employees* remains the biggest cost driver of this programme, consuming about 89 per cent of the programme budget over the seven-year period. The 2014/15 Adjusted Appropriation reflects an increase as a result of in-year reprioritisation from Programme 6 against the equitable share portion of the infrastructure budget. Furthermore, two sub-programmes, namely Professional Services and HIV and AIDS (Life-Skills Education) grant were moved from this programme to Programme 7 with comparative figures for prior years having been adjusted accordingly. However, the 2014/15 Revised Estimate is still higher than the Adjusted Appropriation due to pressures against *Compensation of employees*, as well as *Goods and services* including accruals from 2013/14 as a result of the double issuing of orders on the NSNP grant (which is explained further against *Goods and services* below). The 2014/15 in-year adjustments had to be carried through to the 2015/16 MTEF, hence the budget grows by an additional R3.714 billion over the MTEF, with the biggest cost-driver being *Compensation of employees*. Through the reprioritisation process, the department has endeavored to address the pressures against *Compensation of employees*. However, should the annual wage adjustments be higher than the estimates, further pressures will be experienced within this category and programme.

Programme 3: Independent School Subsidies reflects steady growth over the seven-year period. This programme has previously experienced pressures due to the increase in the number of schools that require subsidies, whereas the subsidies are based on the available budget. The increase in 2013/14 is mainly due to the additional funding that was allocated to cater for the court order to repay independent schools with regard to the reduction of subsidies in previous years, as a result of budget pressures. It is anticipated that the department will fully spend the 2014/15 allocation. It should be noted that, due to budget constraints, the growth over the 2015/16 MTEF is in respect of inflation.

Programme 4: Public Special School Education reflects strong growth over the period under review. The growth in 2013/14, compared to the two prior years, is attributed to spending pressures against *Compensation of employees* and the focus on expanding inclusive education. The increase of R32 million in the 2014/15 Adjusted Appropriation relates to in-year reprioritisation, as well as enforced savings against *Buildings and other fixed structures* in Programme 6 to offset pressures against *Compensation of employees* due to the higher than budgeted 2014 annual wage adjustments, as well as carry-through costs due to previous years' wage agreements including OSD costs. The high 2014/15 Revised Estimate is due to the pressures against *Compensation of employees* even after the adjustments were undertaken. The high growth over the MTEF caters for inflationary increases, and reprioritisation from the infrastructure budget to deal with carry-through costs of previous wage agreements.

Programme 5: Early Childhood Development grows at a slightly higher rate from 2012/13 to 2013/14 compared to 2011/12, largely due to subsequent additional funding allocated toward the expansion of Grade R. There is significant growth in the programme's baseline over the seven-year period. As reflected in the 2014/15 Main Appropriation, there is substantial growth mainly attributed to the increase in the stipends payable to ECD practitioners in 2013/14, which was carried through to 2014/15. The 2014/15 Revised Estimate is low mainly due to enforced savings in order to ease pressures in other programmes. The strong growth over the 2015/16 MTEF is inclusive of additional funding allocated in the 2012/13 and 2013/14 MTEFs for the universalisation of Grade R, as well as for the appointment of Grade R teachers.

Programme 6: Infrastructure Development fluctuates over the period under review. The low 2014/15 Adjusted Appropriation relates to the previously mentioned enforced savings and rigorous reprioritisation that was conducted to ease spending pressure against *Compensation of employees*. The growth over the 2015/16 MTEF is attributed to the successful bid by the department for the 2015/16 EIG allocation due to

its ability to spend and for demonstrating best practices. Furthermore, the R860 million budget reduction, which was implemented in the 2014/15 Adjustments Estimate against the capital budget allocation, has been carried through over the 2015/16 MTEF (R1.107 billion in 2015/16, R1.370 billion in 2016/17, R1.634 billion in 2017/18), thus the equitable share portion of the infrastructure budget has been redirected to *Compensation of employees*. The equitable share budget remaining in this programme is for maintenance purposes only.

Programme 7: Examination and Education Related Services fluctuates between 2011/12 and 2013/14 as the expenditure patterns are influenced largely by the number of learners writing matric, as well as ANA. The budget over the seven-year period grows in anticipation of the increased learner numbers, as well as to strengthen the integrity of the marking processes. The 2014/15 Adjusted Appropriation is inclusive of the two sub-programmes that moved to this programme from Programme 2, these being Professional Services and HIV and AIDS (Life-Skills Education) grant, due to the changes in the Education sector budget structure. This is accounted for by the growth of R448 million in the 2014/15 Adjusted Appropriation. Comparative figures were amended accordingly for prior years. The growth over the 2015/16 MTEF takes into account the budget structure changes and inflation.

Compensation of employees reflects an increase from R26.207 billion in 2011/12 to R38.980 billion in 2017/18 due to the annual wage adjustments and increase in OSD costs, relating to various agreements such as Education Labour Relations Council (ELRC) Agreements No. 3 and 4 of 2009, and PSCBC Resolution 1 of 2007, entered into regarding the remuneration of educators and administrators. Since the introduction of the agreements, the department's ability to fully meet its personnel needs has been placed under extreme pressure as a result of the actual cost of the wage and OSD agreements from the previous years not being fully funded. During 2013/14, an additional R1.119 billion was allocated to this category, however, the year-end outcome was an over-expenditure of R290 million. The 2014/15 Adjusted Appropriation is higher compared to the Main Appropriation due to in-year reprioritisation. In this regard R860 million was moved from *Buildings and other fixtures* to *Compensation of employees*. The 2014/15 Revised Estimate is slightly lower than the Adjusted Appropriation due to delays in filling of the critical vacant posts. The 2015/16 MTEF budget takes into account these reprioritisation carry-through effects from infrastructure mentioned above, while at the same time attempting to match the annual salary increases in respect of *Compensation of employees*. The allocations, however, do not make provision for the filling of any new posts. The crowding out effect that *Compensation of employees* has on other budget categories is clearly demonstrated as this category comprises the largest share of the department's budget, at 82.8 per cent over the 2015/16 MTEF. As previously mentioned, the department has endeavored to address the pressures against *Compensation of employees*, together with the assistance from the provincial cash resources for the carry-through costs of the 2014 wage adjustment. However, should the annual wage adjustments for the ensuing years be higher than the estimates, further pressures will be experienced within this category.

Goods and services increase from R3.135 billion in 2011/12 to R3.572 billion in 2017/18. The fluctuation over the period is due to financial control measures, as well as budget reprioritisation. The 2014/15 Adjusted Appropriation is higher than the Main Appropriation due to an additional allocation of R99 million from the provincial fiscus, being funding to assist the department to address spending pressures, including accruals from the previous year. Furthermore, the increase was in respect of roll-overs, as well as reprioritisation of funds in respect of schools that opted to utilise the managing agent to purchase their LTSM and funds allocated for the training budget for pre-Grade R educators. The 2014/15 Revised Estimate shows a slight projected over-expenditure, mainly due to the previously mentioned carry-through costs for the double orders issued against the NSNP grant. This was due to the change in the modality of the implementation of the NSNP to the schools where, in some instances, due to the suppliers not being able to fulfill their obligations for various reasons, they requested to be withdrawn from the scheme. When the new orders were issued, though, it may not have been taken into account that a part of the contract may have been executed already. The budget grows steadily over the MTEF attributed to conditional grant increases, and the carry-through effects of the 2014/15 adjustments and inflation.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences. The allocation grows marginally due to new vehicles that will be procured in 2014/15, while the old vehicles will be sold.

Transfers and subsidies to: Departmental agencies and accounts reflects transfers made to the Education Training and Development Practices Sector Education and Training Authority (ETDP SETA) in respect of the skills development levy. It should be noted that the department no longer transfers funds to the Public Service Sector Education and Training Authority (PSETA) in line with a National Treasury Circular of 10 July 2014, which indicated that national departments applied for the creation of a single transfer to PSETA through the DPSA. The result of this is that departments do not have to transfer funds to PSETA, unless such transfers are meant for a different purpose. Thus, the payment to PSETA will be redirected to other spending pressures. However, a directive was issued by DPSA to the effect that 30 per cent of the skills levy should be allocated to the ETDP SETA, hence the increase over the 2015/16 MTEF.

Transfers and subsidies to: Non-profit institutions reflects a steady increase over the period under review, largely influenced by the increase in the per capita funding, as well as increased learner enrolment. The decrease in the 2014/15 Adjusted Appropriation is in respect of the reprioritisation of funds to cater for the purchases for non Section 21 schools, including purchases of furniture for the care centres in full service schools. The Revised Estimate reflects projected under-expenditure due to anticipated non-transfer to schools that do not meet the requirements. The 2015/16 allocation is inclusive of a 2.5 per cent increase in the per capita funding for public ordinary schools, which is below the national norms and standards due to the budget constraints.

Transfers and subsidies to: Households caters for staff exit costs, including capped leave where applicable. The fluctuations are attributable to the number of employees exiting the system and the concomitant leave pay-outs due to them. A more realistic estimation will be made, once the capped leave audit project currently being undertaken in conjunction with Provincial Treasury has been completed, taking into account the mandatory retirement year.

Buildings and other fixed structures fluctuates over the period under review, largely due to additional funding in respect of the EIG. The outer years of the 2015/16 MTEF reflect the carry-through of the R860 million reprioritisation effective from 2014/15, which amounts to R1.107 billion in 2015/16, R1.370 billion in 2016/17, and R1.634 billion in 2017/18 from the equitable share portion of the infrastructure budget, to fund spending pressures in other areas, mainly *Compensation of employees*. The growth over the 2015/16 MTEF is mainly attributed to the allocation of the EIG, accounting for the increase. The EIG is R1.978 billion and R1.857 billion in 2015/16 and 2016/17, with the balance co-funded from the equitable share that remains following the reprioritisation.

Machinery and equipment fluctuates between 2011/12 and 2013/14, due to financial control measures and enforced savings. The 2013/14 decrease was attributed to the reduction of R200 million, which was redirected to *Compensation of employees*, in order to deal with pressures. This reduction was carried through to the 2014/15 MTEF, with reductions of R234.855 million in 2014/15 and R317.706 million in 2015/16 in order to fund *Compensation of employees*. The budget over the MTEF is largely from conditional grants. However, in the second year of the MTEF, an allocation has been made in order to assist with tools of trade, such as office equipment, which are desperately required within the department.

Software and other intangible assets reflects the budget for the ICT in schools. This is mainly funded from the Maths, Science and Technology grant.

Payments for financial assets over the 2015/16 MTEF relates to the previously mentioned first charge for the unauthorised expenditure which was not approved by SCOPA.

5.4 Summary of conditional grant payments and estimates

Tables 5.9 and 5.10 provide a summary of conditional grants payments and estimates by programme and economic classification for the period 2011/12 to 2017/18. Note that the historical figures set out in Table 5.9 below reflect actual expenditure per grant, and should not be compared to those reflected in Table 5.1, which represent the actual receipts with respect to each grant. The department administered eight conditional grants in 2014/15, reducing to seven in 2015/16 with the combination of the Technical Secondary Schools Recapitalisation grant and Dinaledi Schools grant into the Maths, Science and Technology grant.

Due to the implementation of the new budget programme structure for the Education sector, the FET College Sector grant was shifted to DHET effective from 2015/16. This resulted in the removal of the historic information, as well as the 2015/16 MTEF allocations from Vote 5.

The details in respect of each conditional grant are included in the *Annexure – Vote 5: Education*.

Table 5.9 : Summary of conditional grants payments and estimates by name

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Education Infrastructure grant | 1 175 956 | 1 423 000 | 1 306 421 | 1 385 781 | 1 385 781 | 1 385 781 | 1 978 683 | 1 857 648 | 1 950 530 |
| HIV and AIDS (Life-Skills Education) grant | 45 114 | 49 954 | 19 348 | 52 261 | 81 547 | 81 547 | 50 588 | 53 096 | 56 115 |
| National School Nutrition Programme (NSNP) grant | 1 144 368 | 1 085 489 | 1 283 939 | 1 237 534 | 1 253 300 | 1 462 576 | 1 287 034 | 1 355 247 | 1 423 009 |
| Maths, Science and Technology grant | - | - | - | - | - | - | 59 998 | 62 452 | 63 882 |
| Technical Secondary Schools Recapitalisation grant | 36 762 | 32 976 | 39 030 | 45 280 | 52 833 | 54 656 | - | - | - |
| Dinaledi Schools grant | 12 320 | 17 079 | 15 840 | 19 568 | 21 458 | 21 458 | - | - | - |
| OSD for Education Therapists grant | - | - | - | 41 581 | 41 581 | 41 581 | 13 079 | - | - |
| Social Sector EPWP Incentive Grant for Provinces | - | - | - | 2 580 | 2 580 | 2 580 | 3 000 | - | - |
| EPWP Integrated Grant for Provinces | - | 895 | 1 340 | 2 070 | 2 937 | 2 937 | 2 644 | - | - |
| Total | 2 414 520 | 2 609 393 | 2 665 918 | 2 786 655 | 2 842 017 | 3 053 116 | 3 395 026 | 3 328 443 | 3 493 536 |

Table 5.10 : Summary of conditional grants payments and estimates by economic classification

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 1 264 712 | 1 259 484 | 1 467 042 | 1 479 293 | 1 525 102 | 1 755 756 | 1 390 085 | 1 442 270 | 1 509 764 |
| Compensation of employees | 5 | - | 311 | 52 074 | 50 941 | 49 788 | 43 723 | 26 375 | 47 889 |
| Goods and services | 1 264 707 | 1 259 484 | 1 466 731 | 1 427 219 | 1 474 161 | 1 705 968 | 1 346 362 | 1 415 895 | 1 461 875 |
| Other | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 16 712 | 7 178 | 4 920 | 10 800 | 10 800 | 7 119 | 10 800 | 10 800 | 16 000 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 16 712 | 7 178 | 4 920 | 10 800 | 10 800 | 7 119 | 10 800 | 10 800 | 16 000 |
| Households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 1 133 096 | 1 342 731 | 1 193 956 | 1 296 562 | 1 306 115 | 1 290 241 | 1 994 141 | 1 875 373 | 1 967 772 |
| Buildings and other fixed structures | 1 120 643 | 1 332 901 | 1 193 956 | 1 263 612 | 1 265 612 | 1 263 612 | 1 953 683 | 1 831 273 | 1 922 836 |
| Machinery and equipment | 12 453 | 9 830 | - | 32 950 | 40 503 | 26 629 | 36 458 | 40 100 | 40 936 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | 4 000 | 4 000 | 4 000 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 2 414 520 | 2 609 393 | 2 665 918 | 2 786 655 | 2 842 017 | 3 053 116 | 3 395 026 | 3 328 443 | 3 493 536 |

The Education Infrastructure grant caters for physical infrastructure needs of schools. The grant allocation increases over the period due to the reforms that were made to the provincial infrastructure grant system that are intended to institutionalise proper planning for infrastructure, as previously explained. This grant supplements existing infrastructure budgets and functions. The grant increases by R92.754 million in 2015/16 compared to 2014/15, as previously mentioned. This was due to KZN's planning process being in place resulting in the successful bid for these funds. The grant framework allows for the utilisation of the funding toward the allocation of *Compensation of employees* in order to attract suitably qualified built-environment candidates, thus an amount of R25 million has been set aside in 2015/16. An amount of R23.983 million of the allocation is earmarked for the rehabilitation of schools damaged by floods. The two outer years are carry-through of the 2015/16 projects, and these allocations may increase depending on success of this years' bid.

The HIV and AIDS (Life-Skills Education) grant funds a life-skills programme aimed at creating awareness among learners and educators. The 2014/15 Revised Estimate indicates that the department will fully spend the allocation. The allocation over the 2015/16 MTEF grows steadily but is lower than the 2014/15 Adjusted Appropriation due to the roll-over that was received from 2013/14. It should be noted that this grant was affected by the fiscal consolidation cuts.

The coverage of the NSNP grant has been expanded to include quintile 3 secondary schools. This grant shows healthy growth from R1.144 billion in 2011/12 to R1.423 billion in 2017/18. This grant was

protected from the fiscal consolidation cuts, however, DBE plans to increase the scope of the NSNP grant by adding a deworming programme to the grant purpose and reweighting the focus on feeding the pupils to placing more focus on the nutritional outcome of the meals. The roll-out of the deworming programme will be done in collaboration with the HPV programme led by the Department of Health. The programme is set to benefit almost 2 209 900 learners in 2015/16. The grant reflects a higher 2014/15 Adjusted Appropriation, due to a roll-over received for the payment of committed March invoices. The 2014/15 Revised Estimate is higher than the Adjusted Appropriation due to the previously mentioned alleged order duplication in 2013/14. As explained previously, the projected over-expenditure is due to the payment of accruals before current invoices were paid. The allocation grows steadily over the MTEF.

The Maths, Science and Technology grant is introduced for the first time in 2015/16, this being the merger of the Dinaledi Schools grant and the Technical Secondary Schools Recapitalisation grant. The rationale for the merger is to have better administration with regard to the over-lapping activities of the previous two grants and to ensure an expanded reach to more schools. This grant has been affected by fiscal consolidation cuts over the MTEF.

The Technical Secondary Schools Recapitalisation grant was aimed at equipping technical secondary schools with the necessary equipment to enhance curriculum delivery and thus increasing the number of suitably qualified and technically skilled learners. With effect from the 2015/16 MTEF, this grant has been merged with the Dinaledi Schools grant and renamed the Maths, Science and Technology grant. The high 2014/15 Revised Estimate relate to expenditure related to the refurbishment of technical school workshops.

The Dinaledi Schools grant was used to increase access to mathematics and science. As previously mentioned, this grant is merged with the Technical Secondary Schools Recapitalisation grant with effect from 2015/16, to form the Mathematics, Science and Technology grant.

Funding for OSD for therapists is allocated as a conditional grant, namely the OSD for Education Sector Therapists grant, in 2014/15 and 2015/16 to allow for the full implementation of this collective agreement. The implementation of the agreement was backdated to July 2010, hence there is a higher allocation in 2014/15 to allow for the back-payments. The grant is phased into the equitable share in the two outer years of the 2015/16 MTEF. This grant is protected from the fiscal consolidated cuts.

The Social Sector EPWP incentive Grant for Provinces is only provided for 2015/16 only. This is for the payment of the stipends to Pre-Grade R practitioners.

The EPWP Integrated Grant for Provinces is aimed at providing incentives to departments to utilise members of the community in its infrastructure projects. The department has received an allocation for the first year of the 2015/16 MTEF only, at this stage.

The NSNP, Technical Secondary Schools Recapitalisation grant, Education Infrastructure grant and Dinaledi Schools grant have part of their allocations reflected against *Goods and services* and *Machinery and equipment*, while a significant portion of the Education Infrastructure grant is also reflected against *Buildings and other fixed structures*. The HIV and AIDS (Life-Skills Education) grant is reflected against *Goods and services* and *Transfers and subsidies to: Non-profit institutions* in order to cater for the Orphans and Vulnerable Children (OVC) project. A portion of the NSNP grant is allocated to *Compensation of employees* in order to deal with capacity issues relating to monitoring. The entire funding for OSD for Education Sector Therapists grant relates to the implementation of the collective agreement.

5.5 Summary of infrastructure payments and estimates

Table 5.11 presents a summary of infrastructure payments and estimates by category for the vote, including both capital and current expenditure on infrastructure for the period 2011/12 to 2017/18. Detailed information on infrastructure is given in the *Annexure – Vote 5: Education*.

The infrastructure budget shows significant growth from 2011/12 to 2013/14. The decrease in the 2014/15 Adjusted Appropriation relates to the vigorous reprioritisation and enforced savings conducted by the department in order to fund the pressures against *Compensation of employees*. However, the reduction of

R860 million from the equitable share portion of the infrastructure budget has had a negative impact on the roll-out of the infrastructure programme, hence the negative growth from 2016/17 to 2017/18. It should be noted that various projects were stopped in 2014/15 including upgrades and additions, and new infrastructure.

Table 5.11 : Summary of infrastructure payments and estimates by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Existing infrastructure assets | 1 473 002 | 1 685 599 | 1 904 795 | 1 533 519 | 673 519 | 987 490 | 2 051 997 | 1 863 111 | 1 748 750 |
| Maintenance and repair: Current | 100 346 | 253 554 | 194 530 | 149 412 | 149 412 | 137 221 | 214 383 | 229 299 | 232 900 |
| Upgrades and additions: Capital | 703 834 | 987 291 | 1 297 566 | 795 334 | 235 334 | 495 334 | 854 838 | 680 490 | 713 336 |
| Refurbishment and rehabilitation: Capital | 668 822 | 444 754 | 412 699 | 588 772 | 288 772 | 354 934 | 982 776 | 953 322 | 802 514 |
| New infrastructure assets: Capital | 723 791 | 1 031 326 | 648 989 | 1 188 830 | 1 188 830 | 875 436 | 452 038 | 387 118 | 406 405 |
| Infrastructure transfers | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Current | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Capital | - | - | - | - | - | - | - | - | - |
| Infrastructure: Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure: Leases | - | - | - | - | - | - | - | - | - |
| Total | 2 196 793 | 2 716 925 | 2 553 784 | 2 722 349 | 1 862 349 | 1 862 926 | 2 504 035 | 2 250 229 | 2 155 155 |
| <i>Capital infrastructure</i> | <i>2 096 447</i> | <i>2 463 371</i> | <i>2 359 254</i> | <i>2 572 937</i> | <i>1 712 937</i> | <i>1 725 705</i> | <i>2 289 652</i> | <i>2 020 930</i> | <i>1 922 255</i> |
| <i>Current infrastructure</i> | <i>100 346</i> | <i>253 554</i> | <i>194 530</i> | <i>149 412</i> | <i>149 412</i> | <i>137 221</i> | <i>214 383</i> | <i>229 299</i> | <i>232 900</i> |

With regard to *Existing infrastructure assets*: the strong growth from 2011/12 to 2013/14 is mainly due to the infrastructure programmes relating to additions and/or renovations of schools to accommodate learners with special needs, as well as district offices and administration buildings in schools.

Maintenance and repair: Current fluctuates over the seven-year period. This provides for the maintenance of school infrastructure, as well as administration of office buildings such as circuit and district offices. The fluctuations from 2011/12 to 2015/16 relate mainly to the fact that some maintenance had to be curtailed in order to fund personnel pressures. The allocation grows steadily over the 2015/16 MTEF to provide for maintenance of schools and administration buildings, including circuit and district offices.

Upgrades and additions: Capital is aimed at dealing with issues of over-crowding in schools, with this category being allocated the largest portion of the budget over the seven-year period. The increase in 2013/14 relates to the payment of commitments from 2012/13. The 2014/15 Adjusted Appropriation was reduced by R560 million, being the equitable share portion, in order to address the previously mentioned personnel pressures relating to carry-through wage adjustments from previous years, as well as the higher than budgeted 2014 wage adjustment. The infrastructure programmes relating to additions and/or renovations of schools to accommodate learners with special needs, boarding facilities, as well as office accommodation will continue in 2015/16, while there is a decline in the two outer years due to the infrastructure grant reforms, which require that the department bids for funding two years prior. In addition to classrooms and toilets, the budget also includes provision for laboratories, computer centres and ECD spaces. The allocation fluctuates over the 2015/16 MTEF due to the reprioritisation funds to ease pressure against *Compensation of employees*, in line with the estimated wage increments of 6.4 and 6.3 per cent.

Refurbishment and rehabilitation: Capital fluctuates over the period. There is a decline from 2012/13 and over the MTEF. This is due to the once-off reprioritisation of funds to *New infrastructure assets: Capital* to deal with the spending pressures. The 2014/15 Adjusted Appropriation was reduced by R300 million, being equitable share funding reprioritised to address the previously mentioned personnel pressures relating to carry-through wage adjustments from previous years, as well as the higher than budgeted 2014 wage adjustment. The growth trend fluctuates over the 2015/16 MTEF, as mentioned above.

New infrastructure assets: Capital grows significantly in 2012/13 due to the over-expenditure in that year relating to the completion of infrastructure projects that were due for completion in 2011/12 carrying over into 2012/13, as well as the payment of the previous financial year's invoices. The projects that carried over into 2012/13 had to be funded in that year as the department experienced spending pressures in 2011/12. The low 2014/15 Revised Estimate is due to implementation of the cost-containment plan in order to remain within the allocated budget. The MTEF allocation fluctuates due to the reprioritisation of funds to *Compensation of employees*, as mentioned above.

5.6 Public Private Partnerships

In an effort to deal with the school infrastructure backlog, the department has decided to pursue the option of entering into a PPP, and this intention has been recorded by National Treasury as per the regulations under reference ZN0020E 2011/12. A TA has been appointed. The project is still in stage one (planning stage) of its life cycle, thus there is no budget or expenditure at this stage.

5.7 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

5.8 Transfers to other entities

Table 5.12 provides details of transfers made to other entities over the seven-year period under review.

Table 5.12 : Summary of departmental transfers to other entities

| R thousand | Sub-programme | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---------------------------------|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Section 21 schools | 2.1. Public Pr. & 2.2. Public Sec. Lev | 924 235 | 931 413 | 1 344 564 | 1 481 348 | 1 460 201 | 1 428 386 | 1 470 363 | 1 387 672 | 1 451 666 |
| Section 20 schools (petty cash) | 2.1. Public Pr. & 2.2. Public Sec. Lev | 81 822 | 343 462 | 5 645 | 6 543 | 6 543 | 6 543 | 6 876 | 6 877 | 7 221 |
| HIV and AIDS | 7.4. Conditionals grants | 16 712 | 7 178 | 12 | 10 800 | 10 800 | 6 955 | 10 800 | 10 800 | 16 000 |
| Independent schools | 3.1. Primary & 3.2. Secondary Level | 63 114 | 65 573 | 72 399 | 74 395 | 74 395 | 74 395 | 77 817 | 81 941 | 86 038 |
| Public special schools | 4.1. Schools | 98 633 | 90 706 | 111 316 | 143 091 | 125 091 | 126 605 | 129 048 | 136 757 | 143 819 |
| ECD centres | 5.1. Gr. R in Pub. Sch & 5.2. Devn centr | 15 914 | 13 | - | 31 499 | 31 499 | 31 499 | 50 000 | 50 265 | 50 528 |
| ETDP SETA | 7.1. Payments to SETA | 18 944 | 19 891 | 22 358 | 22 030 | 22 030 | 22 030 | 78 139 | 83 257 | 88 762 |
| Other | | 12 | - | - | - | - | - | - | - | - |
| Total | | 1 219 386 | 1 458 236 | 1 556 294 | 1 769 706 | 1 730 559 | 1 696 413 | 1 823 043 | 1 757 569 | 1 844 034 |

The largest portion of transfers is in respect of S21 schools, relating to the transfers of norms and standards funding. The increase in respect of public special schools, from 2013/14 onward, reflects the extent to which the department is focusing on learners with special needs, by making sure that schools are allocated funding that will enable them to assist the learners and to ensure that the Inclusive Education programme is granted the attention it deserves.

The department still has schools that do not have S21 functions and, for these schools, the department transfers petty cash so that they can deal with immediate school requirements. The slight increase in the outer year against S20 schools is due to the anticipated withdrawal of S21 functions from schools that continue to not comply with transfer requirements.

HIV and AIDS reflect transfers to schools for the implementation of the procurement of uniforms and other additional needs for orphaned and vulnerable children. The 2013/14 low amount is due to expenditure misallocations. The 2015/16 MTEF allocation reflects gradual growth.

As previously mentioned, the subsidies to Independent Schools are based on the available budget. The increase in 2013/14 is mainly due to additional funding that was allocated to cater for the court order to repay independent schools with regard to the reduction of subsidies in previous years, as a result of budget pressures. It is anticipated that the department will fully spend the 2014/15 allocation, and the increase over the 2015/16 MTEF is in respect of inflationary increases.

Schools (Public Special schools) shows an upward trend from R98.633 million in 2011/12 to R143.819 million in 2017/18 which indicates the extent to which the department is focusing on learners with special needs, by making sure that schools are allocated funding that will enable them to assist the learners and to ensure that the Education programme is granted the attention it deserves.

The allocation to ECD centres grows steadily from 2011/12, and is aimed at ensuring that schools with Grade R classes are able to run their own affairs. The decrease in 2012/13 and 2013/14 is due to the non-transfer to these centres as a means to deal with the over-expenditure or unauthorised expenditure. The allocation over the 2015/16 MTEF is inflationary.

ETDP SETA transfers relate to the contribution by the department to the SETA, as per the Skills Development Act. As explained, the department will no longer make payment to PSETA as the national

departments will make payments to them through DPSA. The savings from this have been redirected to other areas with pressures. The increase over the 2015/16 MTEF is due to the previously mentioned provision of 30 per cent for the skills development levy to be allocated to the ETDP SETA as per DPSA directive.

5.9 Transfers to local government

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

5.10 Transfers and subsidies

Table 5.13 provides a summary of transfers by programme and main category over the seven-year period. The department mainly transfers funds to schools. Apart from these, there are smaller transfers in respect of employees' severance packages, which are difficult to predict, thus showing fluctuations over the years.

Table 5.13 : Summary of transfers and subsidies by programme and main category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 12 272 | 16 057 | 11 734 | 29 646 | 30 646 | 33 171 | 30 931 | 32 570 | 34 201 |
| Provinces and municipalities | 1 048 | 1 573 | 740 | 1 100 | 2 100 | 2 061 | 1 100 | 1 158 | 1 216 |
| Motor vehicle licences | 1 048 | 1 573 | 740 | 1 100 | 2 100 | 2 061 | 1 100 | 1 158 | 1 216 |
| Non-profit institutions | 12 | - | - | - | - | - | - | - | - |
| Other | 12 | - | - | - | - | - | - | - | - |
| Households | 11 212 | 14 484 | 10 994 | 28 546 | 28 546 | 31 110 | 29 831 | 31 412 | 32 985 |
| Social benefits | 11 212 | 14 484 | 10 994 | 28 546 | 28 546 | 31 110 | 29 831 | 31 412 | 32 985 |
| 2. Public Ordinary School Education | 1 116 788 | 1 348 773 | 1 442 485 | 1 529 383 | 1 497 436 | 1 528 097 | 1 520 917 | 1 440 542 | 1 507 180 |
| Non-profit institutions | 1 006 057 | 1 274 875 | 1 350 209 | 1 498 691 | 1 466 744 | 1 434 929 | 1 477 239 | 1 394 549 | 1 458 887 |
| Section 21 schools | 924 235 | 931 413 | 1 344 564 | 1 481 348 | 1 460 201 | 1 428 386 | 1 470 363 | 1 387 672 | 1 451 666 |
| Section 20 schools | 81 822 | 343 462 | 5 645 | 6 543 | 6 543 | 6 543 | 6 876 | 6 877 | 7 221 |
| HIV and AIDS | - | - | - | 10 800 | - | - | - | - | - |
| Households | 110 731 | 73 898 | 92 276 | 30 692 | 30 692 | 93 168 | 43 678 | 45 993 | 48 293 |
| Social benefits | 110 731 | 73 898 | 92 276 | 30 692 | 30 692 | 93 168 | 43 678 | 45 993 | 48 293 |
| 3. Independent School Subsidies | 63 114 | 65 573 | 72 399 | 74 395 | 74 395 | 74 395 | 77 817 | 81 941 | 86 038 |
| Non-profit institutions | 63 114 | 65 573 | 72 399 | 74 395 | 74 395 | 74 395 | 77 817 | 81 941 | 86 038 |
| Independent schools | 63 114 | 65 573 | 72 399 | 74 395 | 74 395 | 74 395 | 77 817 | 81 941 | 86 038 |
| 4. Public Special School Education | 100 603 | 93 002 | 114 453 | 144 598 | 126 598 | 128 789 | 130 608 | 138 400 | 145 544 |
| Non-profit institutions | 98 633 | 90 706 | 111 316 | 143 091 | 125 091 | 126 605 | 129 048 | 136 757 | 143 819 |
| Public special schools | 98 633 | 90 706 | 111 316 | 143 091 | 125 091 | 126 605 | 129 048 | 136 757 | 143 819 |
| Households | 1 970 | 2 296 | 3 137 | 1 507 | 1 507 | 2 184 | 1 560 | 1 643 | 1 725 |
| Social benefits | 1 970 | 2 296 | 3 137 | 1 507 | 1 507 | 2 184 | 1 560 | 1 643 | 1 725 |
| 5. Early Childhood Development | 16 080 | 158 | 125 | 31 499 | 31 499 | 31 590 | 50 000 | 50 265 | 50 528 |
| Non-profit institutions | 15 914 | 13 | - | 31 499 | 31 499 | 31 499 | 50 000 | 50 265 | 50 528 |
| ECD centres | 15 914 | 13 | - | 31 499 | 31 499 | 31 499 | 50 000 | 50 265 | 50 528 |
| Households | 166 | 145 | 125 | - | - | 91 | - | - | - |
| Social benefits | 166 | 145 | 125 | - | - | 91 | - | - | - |
| 7. Examination and Education Related Services | 38 554 | 29 872 | 25 188 | 22 030 | 32 830 | 31 791 | 88 939 | 94 057 | 104 762 |
| Departmental agencies and accounts | 18 944 | 19 891 | 22 358 | 22 030 | 22 030 | 22 030 | 78 139 | 83 257 | 88 762 |
| ETDP SETA | 18 944 | 19 891 | 22 358 | 22 030 | 22 030 | 22 030 | 78 139 | 83 257 | 88 762 |
| Non-profit institutions | 16 712 | 7 178 | 12 | - | 10 800 | 6 955 | 10 800 | 10 800 | 16 000 |
| HIV and AIDS | 16 712 | 7 178 | 12 | - | 10 800 | 6 955 | 10 800 | 10 800 | 16 000 |
| Households | 2 898 | 2 803 | 2 818 | - | - | 2 806 | - | - | - |
| Social benefits | 2 898 | 2 803 | 2 818 | - | - | 2 806 | - | - | - |
| Total | 1 347 411 | 1 553 435 | 1 666 384 | 1 831 551 | 1 793 404 | 1 827 833 | 1 899 212 | 1 837 775 | 1 928 253 |

Programme 1 caters for the budget and expenditure for *Provinces and municipalities* relating to motor vehicle licences. The increase in the 2014/15 Adjusted Appropriation relates to the provisions for the departmental fleet. *Households* under this programme reflects payments made in respect of staff exit costs.

Programme 2 houses the larger portion of the transfers to schools. *Transfers and subsidies* increases over the seven-year period due to the following:

- *Non-profit institutions* reflects payments made in respect of departmental determined norms and standards. The slight increases are as a result of the successful contestations made by schools to have their quintile ranking elevated. The decrease in the 2014/15 Adjusted Appropriation relates to the

provisions for purchases of LTSM for S21 schools which opted to purchase the LTSM through the managing agent. The 2015/16 MTEF is in line with the anticipated per learner allocation, which fluctuates due to budget pressures.

- *Households* reflects payments in respect of staff exit costs.

With regard to Programme 3:

- *Non-profit institutions* reflects payments made in respect of the subsidy given to independent schools. The increase in 2013/14 is mainly due to reprioritisation to cater for the court order to repay independent schools with regard to the reduction of subsidies in previous years, as a result of budget pressures. The 2015/16 MTEF budget reflects an inflationary increase.

With regard to Programme 4:

- *Non-profit institutions* reflects payments made to public special schools. The growth fluctuates from 2011/12 to 2013/14 with the provisions made in order to grant access to learners with special needs, to allow these schools to procure various assistive devices. The decrease in the 2014/15 Adjusted Appropriation relates to the provision made for transfers to S21 full service schools against Programme 2. These provide inclusive education to ensure implementation of the Education White Paper 6 Inclusive Education. The allocation increases over the 2015/16 MTEF due to the fact that more schools will be undertaking their own procurement moving forward.
- *Households* caters for staff exit costs.

With regard to Programme 5:

- *Non-profit institutions* reflect payments made to ECD centres. The decrease from 2012/13 and 2013/14 is due to financial control and reprioritisation of funds to *Compensation of employees* to cater for the increase in stipends payable to ECD practitioners. The 2014/15 budget is anticipated to be fully spent.
- *Households* caters for staff exit costs, which are difficult to predict, hence the fluctuations.

Transfers and subsidies in Programme 7 caters for staff exit costs (against *Households*) and payments to the ETDP SETA (against *Departmental agencies and accounts*) in respect of the skills development levy.

6. Programme description

The services rendered by this department are categorised under seven programmes for the current MTEF, which conform to the revised uniform budget and programme structure for the sector.

The payments and estimates for each programme are summarised in terms of sub-programmes and economic classification, and detailed in the *Annexure – Vote 5: Education*.

6.1 Programme 1: Administration

Programme 1 has five sub-programmes that are responsible for providing:

- The functioning of the Office of the MEC for Education.
- Overall management of the education system.
- Education management services for the education system.
- Human resource development for office-based staff.
- Education Management Information System (EMIS).

Tables 5.14 and 5.15 below reflect payments and budgeted estimates relating to this programme for the period 2011/12 to 2017/18.

Table 5.14 : Summary of payments and estimates by sub-programme: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Office of the MEC | 21 460 | 23 701 | 28 712 | 29 988 | 29 988 | 38 601 | 50 015 | 50 974 | 52 422 |
| 2. Corporate Services | 730 837 | 659 506 | 779 164 | 361 921 | 636 570 | 745 953 | 665 826 | 741 342 | 688 715 |
| 3. Education Management | 543 995 | 529 337 | 600 967 | 854 581 | 704 581 | 617 899 | 843 031 | 923 905 | 965 384 |
| 4. Human Resource Development | 7 106 | 1 337 | 13 190 | 16 600 | 16 600 | 17 210 | 9 587 | 10 299 | 13 974 |
| 5. Education Management Information System (EMIS) | 21 663 | 22 999 | 22 950 | 44 964 | 42 964 | 22 382 | 50 509 | 53 186 | 55 845 |
| Total | 1 325 061 | 1 236 880 | 1 444 983 | 1 308 054 | 1 430 703 | 1 442 045 | 1 618 968 | 1 779 706 | 1 776 340 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (31 892) | (31 892) | (31 893) |
| Baseline available for spending after 1st charge | 1 325 061 | 1 236 880 | 1 444 983 | 1 308 054 | 1 430 703 | 1 442 045 | 1 587 076 | 1 747 814 | 1 744 447 |

Table 5.15 : Summary of payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 1 311 895 | 1 211 068 | 1 429 353 | 1 278 408 | 1 399 057 | 1 407 505 | 1 529 795 | 1 664 653 | 1 701 426 |
| Compensation of employees | 856 198 | 887 859 | 1 008 201 | 994 410 | 1 094 410 | 1 019 163 | 1 167 994 | 1 252 201 | 1 335 728 |
| Goods and services | 455 325 | 322 953 | 415 446 | 283 998 | 304 647 | 386 700 | 361 801 | 412 452 | 365 698 |
| Interest and rent on land | 372 | 256 | 5 706 | - | - | 1 642 | - | - | - |
| Transfers and subsidies to: | 12 272 | 16 057 | 11 734 | 29 646 | 30 646 | 33 171 | 30 931 | 32 570 | 34 201 |
| Provinces and municipalities | 1 048 | 1 573 | 740 | 1 100 | 2 100 | 2 061 | 1 100 | 1 158 | 1 216 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 12 | - | - | - | - | - | - | - | - |
| Households | 11 212 | 14 484 | 10 994 | 28 546 | 28 546 | 31 110 | 29 831 | 31 412 | 32 985 |
| Payments for capital assets | 894 | 9 755 | 3 896 | - | 1 000 | 1 369 | 26 350 | 50 591 | 8 820 |
| Buildings and other fixed structures | - | - | 151 | - | - | - | - | - | - |
| Machinery and equipment | 882 | 9 617 | 3 745 | - | 1 000 | 1 369 | 26 350 | 50 591 | 8 820 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 12 | 138 | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | 31 892 | 31 892 | 31 893 |
| Total | 1 325 061 | 1 236 880 | 1 444 983 | 1 308 054 | 1 430 703 | 1 442 045 | 1 618 968 | 1 779 706 | 1 776 340 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (31 892) | (31 892) | (31 893) |
| Baseline available for spending after 1st charge | 1 325 061 | 1 236 880 | 1 444 983 | 1 308 054 | 1 430 703 | 1 442 045 | 1 587 076 | 1 747 814 | 1 744 447 |

As previously mentioned, in terms of Section 34(2) of the PFMA, the department is liable for the repayment of the previous year's over-expenditure, resulting in a first charge against the department's budget. Instalments of R31.892 million will be implemented in 2015/16 and 2016/17, and R31.893 million in 2017/18. The above-mentioned instalments of the first charge are allocated under the sub-programme: Education Management, against *Payments for financial assets*.

The decline in 2012/13 relates mainly to financial control measures to ease pressures against Programme 2. This had more of an impact than the next two years, mainly due to the continuous spending pressures, which were caused by the carry-through effects of the historical shortfall in funding for OSD and various wage agreements, as well as the carry-through effects of the conversion of 600 teacher assistants to teacher aids and provision for rural incentivised posts (such as Mathematics and Science teachers), which were made in 2011/12 without funding. The increase in the 2014/15 Adjusted Appropriation can be ascribed to additional funding from provincial cash resources to assist the department with its in-year spending pressures related to *Goods and services* and *Compensation of employees*. The department also reprioritised funds from *Buildings and other fixed structures* in Programme 6 in order to deal with spending pressures in *Compensation of employees* related to the higher than budgeted 2014 annual wage adjustments, salary upgrades for security guards from level 1 to 3, as per DPSA requirements, as well as operational costs for the department.

The Office of the MEC's budget shows strong growth over the seven-year period, but this is from a low base. The greater portion of the budget goes toward *Compensation of employees*, as with most programmes and sub-programmes. A substantial increase is noted between 2012/13 and 2013/14 largely

related to operational costs including travel and subsistence and bursaries for non-employees. The peak from 2014/15 to 2015/16 is ascribed to reprioritisation undertaken to cater for existing commitments in respect of non-employee bursaries.

The Corporate Services budget is inclusive of the financial requirements of the department's support functions. The allocation fluctuates over the period under review as it is largely the target for financial control. In particular, 2012/13 is substantially lower than 2011/12 and 2013/14. The significant increase in the 2014/15 Adjusted Appropriation relates to the costs associated with the higher than budget 2014 annual wage adjustments, re-grading of posts for security guards from level 1, 2 to 3 as per DPSA requirements, as well as payments of telephone costs, water, electricity, operating leases, and travelling costs (including costs for district offices). This programme has been a target for financial control in the past, which has contributed to the budget pressures. The 2014/15 Revised Estimate is higher than 2015/16 as funds could not be reprioritised further from other programmes due to budget constraints. However, significant growth is observed in 2016/17, mainly attributed to the annual salary increments.

Education Management's budget is inclusive of all costs related to education delivery requirements and forms the bulk of the budget in this programme. Like most programmes and sub-programmes, there are fluctuations between 2011/12 to 2013/14 due to financial control and enforced savings. There was an inadvertent budget misallocation between this sub-programme and the Corporate Services sub-programme, thus the 2014/15 Adjusted Appropriation decrease is to correct this anomaly. The Revised Estimate is low compared to the Adjusted Appropriation due to non-filling of office based posts. The MTEF allocation grows steadily.

Human Resource Development's allocation is largely funding set aside in line with the Skills Development Act. With effect from 2013/14, a directive was issued by the DPSA indicating that the bursary allocation should not form part of the skills funding allocation (training and development) and should be sourced from the department's baseline. This has put pressure on the department's ability to offer bursaries to employees from 2015/16 onwards. Fluctuating trends are observed between 2011/12 and 2013/14, largely due to financial control. The allocation fluctuates over the 2015/16 MTEF due to the budget reprioritisation that was undertaken to fund other pressures.

The spending between 2011/12 and 2013/14 for EMIS reflects a nominal increase, due to cost containment, when compared with the 2014/15 allocation. The 2014/15 Revised Estimate is lower than the Adjusted Appropriation due to an attempt to minimise projected over-expenditure. The strong growth over the 2015/16 MTEF is to ensure the roll-out of the South African Schools Administration and Management System (SA-SAMS) and enable the department to have up-to-date systems for the collection of learner data.

The upward trend in *Compensation of employees* between 2011/12 and 2013/14 is indicative of the increasing trend in respect of salaries for employees. This pressure can be seen in the 2014/15 Adjusted Appropriation which is R100 million higher than the Main Appropriation due to the pressures brought about by the under-funding of wage agreements of prior years, as explained previously. The effects of the 2013/14 budget reprioritisation process, and the 2014/15 budget virements process, can be seen on the increased 2015/16 MTEF budget allocation, which caters for the carry-through effects of both these exercises, as well as ensuring that the budget growth for *Compensation of employees* meets the inflationary increases. However, due to budget constraints, only funded critical posts will be filled, while taking into account the moratorium on the filling of non-critical vacant posts. Note that additional funding was allocated in the 2012/13 MTEF for improving infrastructure support. As mentioned earlier, this funding was specifically and exclusively appropriated and the department has not yet completed the implementation of its revised infrastructure staffing structure that this funding was intended for. Thus, amounts of R10.274 million, R10.746 million and R11.283 million remain ring-fenced within this category for this purpose over the three years of the 2015/16 MTEF against the sub-programme: Education Management.

Goods and services fluctuates between 2011/12 and 2013/14, largely influenced by financial control measures and budget reprioritisation. The 2014/15 Adjusted Appropriation is slightly higher than the Main Appropriation due to the net additional allocation of R20 million, after accounting for R6.351 million as a

first charge in respect of irregular expenditure for 2012/13. However, the 2014/15 Revised Estimate is higher than the Adjusted Appropriation due to pressures brought about by contractual commitments, which were held back as a result of budget constraints in the previous year. The effects of the 2013/14 budget reprioritisation process and the carry-through effect of this can be observed in the MTEF allocations for this category. In particular, provision has been made for the payment of fleet services, PILIR, computer services, as well as travel and subsistence.

Transfers and subsidies to: Provinces and municipalities relates to the payment of motor vehicle licences. The 2014/15 Adjusted Appropriation increases due to in-year reprioritisation in order to make provision for higher than anticipated payment of motor vehicle licences for the departmental fleet. The allocation grows steadily over the 2015/16 MTEF, as the department does not anticipate purchasing new vehicles due to reprioritisation undertaken to fund other more critical areas.

Transfers and subsidies to: Households caters for staff exit costs, which fluctuate over the seven-year period due to the difficulties in budgeting for this category as a result of its uncertain nature.

Machinery and equipment has been used as a buffer for the department's spending pressures, hence the reduced spending between 2011/12 and 2013/14. The 2014/15 Adjusted Appropriation was increased by R1 million to cater for the payment of accruals related to the purchase of vehicles. The significant increase in 2015/16 and 2016/17 caters for purchase of the necessary tools of trade as a catch-up process after several years of enforced savings against this category.

Service delivery measures – Programme 1: Administration

Table 5.16 below illustrates the main service delivery measures relevant to Programme 1. The department has complied with the service delivery measures as prescribed by the Education sector.

Table 5.16 : Service delivery measures – Programme 1: Administration

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|---|--|-----------------------|---------------------|---------|---------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| To bring effective management to all levels of the system | • No. of public schools that use SA-SAMS (or its equivalent) to provide data to the national learner tracking system | 5 952 | 5 952 | 5 952 | 5 952 | |
| | • No. of public schools that can be contacted electronically (e-mail) | 5 952 | 5 952 | 5 952 | 5 952 | |
| | • % of education current expenditure going toward non-personnel items | 11.62% | 11.37% | 11.40% | 11.40% | |
| | • No. of schools visited by district officials for monitoring and support | 23 808 | 23 808 | 23 808 | 23 808 | |

6.2 Programme 2: Public Ordinary School Education

This programme houses the core function of the department, and its aim is the provision of public ordinary schools from Grades 1 to 12, in accordance with the South African Schools Act.

This programme has six sub-programmes, which have the following objectives:

- To provide specific public primary ordinary schools with resources for the Grade 1 to 7 levels.
- To provide specific public secondary ordinary schools with resources for the Grade 8 to 12 levels.
- To provide departmental services for the professional and other development of educators and non-educators in public ordinary schools.
- Human resource development for educators and non-educators.
- To provide additional and departmentally managed sporting and cultural activities in public ordinary schools.
- To provide for various national projects that are funded through the conditional grants, namely:

- o National School Nutrition Programme.
- o Maths, Science and Technology.
- o Social Sector EPWP Incentive Grant for Provinces.
- o EPWP Integrated Grant for Provinces.

Tables 5.17 and 5.18 reflect payments and budgeted estimates for the period 2011/12 to 2017/18.

This programme includes the budget for educators, their salaries, and professional development needs. The largest portion of the budget under this programme is allocated to the sub-programme: Public Primary Schools, in proportion to the number of institutions and learners attending these schools. The specific conditional grants are reflected as sub-programmes.

Table 5.17 : Summary of payments and estimates by sub-programme: Public Ordinary School Education

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|-------------------|-------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Public Primary Level | 15 440 196 | 15 751 278 | 17 068 538 | 18 173 826 | 18 652 626 | 18 625 490 | 20 359 665 | 21 506 360 | 22 791 349 |
| 2. Public Secondary Level | 10 275 287 | 11 306 413 | 12 200 791 | 12 554 718 | 12 873 918 | 12 762 909 | 13 141 770 | 13 887 202 | 14 741 741 |
| 3. Professional Services | - | - | - | 366 612 | - | - | - | - | - |
| 4. Human Resource Development | 41 596 | 63 904 | 39 181 | 136 652 | 136 652 | 88 521 | 166 659 | 177 103 | 185 177 |
| 5. School Sport, Culture and Media Services | 39 278 | 38 194 | 33 850 | 47 439 | 47 439 | 35 328 | 49 574 | 52 201 | 54 811 |
| 6. Conditional grants | 1 193 450 | 1 136 439 | 1 340 149 | 1 359 293 | 1 333 108 | 1 544 207 | 1 352 676 | 1 417 699 | 1 486 891 |
| National School Nutrition Programme grants | 1 144 368 | 1 085 489 | 1 283 939 | 1 237 534 | 1 253 300 | 1 462 576 | 1 287 034 | 1 355 247 | 1 423 009 |
| HIV and AIDS (Life-Skills Education) grants | - | - | - | 52 261 | - | - | - | - | - |
| Maths, Science and Technology grant | - | - | - | - | - | - | 59 998 | 62 452 | 63 882 |
| Technical Secondary Schools Recapitalisation grant | 36 762 | 32 976 | 39 030 | 45 280 | 52 833 | 54 656 | - | - | - |
| Dinaledi Schools grant | 12 320 | 17 079 | 15 840 | 19 568 | 21 458 | 21 458 | - | - | - |
| Social Sector EPWP Incentive Grant for Provinces | - | - | - | 2 580 | 2 580 | 2 580 | 3 000 | - | - |
| EPWP Integrated Grant for Provinces | - | 895 | 1 340 | 2 070 | 2 937 | 2 937 | 2 644 | - | - |
| Total | 26 989 807 | 28 296 228 | 30 682 509 | 32 638 540 | 33 043 743 | 33 056 455 | 35 070 344 | 37 040 565 | 39 259 969 |

Table 5.18 : Summary of payments and estimates by economic classification: Public Ordinary School Education

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|-------------------|-------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 25 853 680 | 26 825 934 | 29 233 287 | 31 076 207 | 31 505 804 | 31 500 970 | 33 508 969 | 35 555 923 | 37 707 853 |
| Compensation of employees | 23 693 804 | 24 930 705 | 27 025 246 | 28 799 904 | 29 144 159 | 29 153 393 | 31 026 142 | 33 062 431 | 35 114 772 |
| Goods and services | 2 159 781 | 1 895 227 | 2 208 011 | 2 276 303 | 2 361 645 | 2 347 536 | 2 482 827 | 2 493 492 | 2 593 081 |
| Interest and rent on land | 95 | 2 | 30 | - | - | 41 | - | - | - |
| Transfers and subsidies to: | 1 116 788 | 1 348 773 | 1 442 485 | 1 529 383 | 1 497 436 | 1 528 097 | 1 520 917 | 1 440 542 | 1 507 180 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 1 006 057 | 1 274 875 | 1 350 209 | 1 498 691 | 1 466 744 | 1 434 929 | 1 477 239 | 1 394 549 | 1 458 887 |
| Households | 110 731 | 73 898 | 92 276 | 30 692 | 30 692 | 93 168 | 43 678 | 45 993 | 48 293 |
| Payments for capital assets | 19 339 | 121 521 | 6 737 | 32 950 | 40 503 | 27 388 | 40 458 | 44 100 | 44 936 |
| Buildings and other fixed structures | - | 21 201 | 6 737 | - | - | 577 | 800 | - | - |
| Machinery and equipment | 19 339 | 100 320 | - | 32 950 | 40 503 | 26 811 | 35 658 | 40 100 | 40 936 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | 4 000 | 4 000 | 4 000 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 26 989 807 | 28 296 228 | 30 682 509 | 32 638 540 | 33 043 743 | 33 056 455 | 35 070 344 | 37 040 565 | 39 259 969 |

This programme consumes, on average, at least 82 per cent of the department's allocation, growing to over 85 per cent from 2015/16 onward. Over the seven-year period, the budget grows significantly despite funding limitations. The significant increase in the sub-programmes: Public Primary Level and Public Secondary Level from 2014/15 onward can mainly be ascribed to the carry-through effects of the various wage related agreements. The 2014/15 Adjustment Appropriation reflects an increase due to the re-direction of the budget from *Buildings and other fixed structures* to *Compensation of employees*. A large

portion of the additional allocation was also allocated in the 2015/16 MTEF in respect of addressing spending pressures, for carry-through of various wage agreements, to the Public Primary Level and Public Secondary Level sub-programmes, as they bear the brunt of the shortfall.

The specific conditional grants are reflected as sub-programmes. With effect from the 2014/15 Adjusted Appropriation, the sub-programmes for Professional Services and the HIV and AIDS (Life-Skills Education) grant have been moved from this programme to Programme 7. Comparative figures have been adjusted accordingly.

The Public Primary and Public Secondary Level sub-programmes increase steadily between 2011/12 and 2013/14, and this is influenced by the upward trend in *Compensation of employees*. The 2014/15 Revised Estimate is higher than the Adjusted Appropriation emanating from the spending pressures against *Compensation of employees*. The budget for the first year of the 2015/16 MTEF is significantly higher than the 2014/15 Revised Estimate, as a result of the additional allocation from the provincial cash resources to assist public primary and secondary schools that were struggling to pay domestic accounts, as well as reprioritisation of funds from *Buildings and other fixed structures* in Programme 6. As previously mentioned, the reprioritisation undertaken addressed the carry-through costs of the current and previous years' wage adjustments. However, the MTEF allocations are based on inflationary increases, and this might create further pressures should wage agreements be above the current estimates.

The Human Resource Development sub-programme fluctuates between 2011/12 and 2013/14 due to financial controls and enforced savings implemented in-year, resulting in lower spending. Although financial controls also continued in 2011/12 and 2012/13, the teacher training programmes were not entirely compromised. As part of reprioritisation, the 2014/15 Main Appropriation was reduced to fund *Compensation of employees* budgetary pressures. Over the 2015/16 MTEF, sufficient funding has been made available. However, the extent to which the training and development budget will be spent is dependent on budgetary pressures that could be brought about by *Compensation of employees*, which continues to crowd out spending in other critical areas. The allocation over the 2015/16 MTEF is in line with Skills Development Act.

The School Sport, Culture and Media Services sub-programme allocations over the 2015/16 MTEF grow steadily, to enable the department to deliver on its social cohesion goal.

The NSNP grant has increased significantly over the seven-year period, in order to allow quintiles 1, 2 and 3 schools to feed on days as dictated by the conditions of the grant. The grant shows an increase of R55.362 million in the 2014/15 Adjusted Appropriation due to a roll-over that was granted in order to honour the March commitments of the previous year, which could not be paid before the end of the year. The growth over the 2015/16 MTEF is largely to accommodate inflationary costs, with additional funding provided in the outer year as a result of the significant increase. As previously mentioned, this grant was not affected by the fiscal consolidation cuts.

A roll-over of R7.553 million was granted during the 2014/15 Adjusted Appropriation with respect to Technical Secondary Schools Recapitalisation grant in order to honour commitments from the previous financial year which could not be paid before year-end, due to the introduction of a new curriculum, which caused schools to revise their requirements based on the new CAPS specialisation. The 2014/15 allocation is projected to be fully spent, despite delays with the procurement processes due to centralisation of the procurement for some materials. As previously mentioned, over the 2015/16 MTEF this grant is combined with Dinaledi Schools grant into the new Maths, Science and Technology grant. The new grant's baseline is the sum of the baseline allocations of the two previous grants. This grant was affected by the fiscal consolidation cuts.

The Social Sector EPWP Incentive Grant for Provinces reflects an allocation from 2014/15, and R3 million has been provided for 2015/16. The EPWP Integrated Grant for Provinces expenditure for 2011/12 was inadvertently captured against equitable share, hence no expenditure is shown for that year. The 2014/15 allocation will be fully spent. As previously mentioned, the department has received an allocation for this grant in 2015/16 only, at this stage.

Compensation of employees reflects strong growth over the seven-year period. The influencing factors are largely the implementation of OSD for educators in 2008/09, rural incentives and the conversion of teacher assistants to teacher aids, as well as the higher than budgeted 2014 wage agreement, which were not adequately funded. As mentioned earlier, the budget for *Compensation of employees* increased by R344 million as indicated in the 2014/15 Adjusted Appropriation. Due to the movement of the Professional Services sub-programme to Programme 7, an amount of R366.612 million previously allocated to *Compensation of employees* has been reduced. The 2014/15 Revised Estimate is slightly higher than the Adjusted Appropriation due to absence of scope to reprioritise further from the current budget resulting from non-funding of the 1 per cent 2014 wage differential. The effects of the 2013/14 budget reconfiguration process, as well as the 2014/15 budget virements process, can be seen in the increased 2015/16 MTEF budget allocation which caters for the carry-through effects of both these exercises, as well as ensuring that the budget growth for *Compensation of employees* meets the mandatory increases. However, no budget is available for new posts. Through the reprioritisation process, in order to deal with the perennial problem of over-expenditure, the 2015/16 allocation compared to the 2014/15 Revised Estimate has grown by 6.4 per cent or almost R1.618 billion, which had to be reprioritised from other budget categories. It is anticipated that this budget reprioritisation will, to a large extent, deal with the alignment of the *Compensation of employees* budget to projected expenditure outcomes, provided that no further unfunded or under-funded mandates arise.

Goods and services reflects strong growth over the seven-year period, largely influenced by the spending and additional allocations received in respect of various priorities such as LTSM and NSNP. This partly explains the growth in 2011/12, as the managing agent was appointed by then, and thus obviated the need to transfer the budget to schools. However, the effect of financial control and enforced savings in order to buffer the department's spending pressures contribute to the fluctuations of the expenditure outcomes over the period. The upward revision of *Goods and services* in the 2014/15 Adjusted Appropriation is as a result of roll-overs, including funds from transfers for schools that opted to purchase the LTSM through the managing agent, as well as the additional provincial cash resources provided to the department in order to ease spending pressures related to operational costs and payment of domestic accounts in respect of schools who were struggling to settle their accounts. The budget grows steadily over the 2015/16 MTEF.

Transfers and subsidies to: Non-profit institutions mainly reflects payments in respect of norms and standards to all public ordinary schools, which is influenced by learner numbers. There is a slight deviation between the Main and the Adjusted Appropriation in 2014/15 due to some schools not complying with the financial requirements to enable transfers to be made directly to the schools. The increase over the MTEF compared to the 2014/15 Revised Estimate takes into account the 2.5 per cent increase in the per learner allocation.

Transfers and subsidies to: Households fluctuates over the seven-year, as it relates to staff exit costs.

The high amount against the 2014/15 Revised Estimate in respect of *Buildings and other fixed structures* relates mainly to expenditure for the refurbishment of technical school workshops.

Machinery and equipment fluctuates between 2011/12 and 2013/14, largely due to financial control and enforced savings to address pressures against *Compensation of employees*. The increase in the 2014/15 Adjusted Appropriation relates to roll-over from the previous financial year relating to the Technical Secondary Schools Recapitalisation grant, as previously mentioned. The budget over the 2015/16 MTEF is largely related to conditional grants and provides for purchases of science equipment.

Service delivery measures – Programme 2: Public Ordinary School Education

Table 5.19 below illustrates the main service delivery measures relevant to Programme 2.

A number of measures were introduced by the sector in 2015/16 and are indicated as “New” in the 2014/15 Estimated performance.

Table 5.19 : Service delivery measures – Programme 2: Public Ordinary School Education

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|---|---|-----------------------|---------------------|-------------|-------------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| To provide access in the public ordinary schooling system in accordance with policy | • No. of learners enrolled in public ordinary schools | 2 604 918 | 2 605 918 | 2 606 918 | 2 607 918 | |
| | • No. of full service schools servicing learners with barriers | 101 | 113 | 125 | 137 | |
| | • No. of learners in public ordinary benefiting from the "No Fee schools" policy | 1 872 225 | 1 872 325 | 1 872 425 | 1 872 525 | |
| | • No. of educators employed in public ordinary schools | 88 957 | 88 957 | 88 957 | 88 957 | |
| | • No. of non-educator staff employed in public ordinary schools | 11 396 | 11 416 | 11 422 | 11 422 | |
| | • No. of learners benefitting from NSNP | 2 264 420 | 2 287 064 | 2 287 164 | 2 287 264 | |
| | • No. of learners eligible to benefit from learner transport | 26 319 | 35 500 | 35 800 | 36 100 | |
| | • No. of learners with special education needs identified in public ordinary schools | 28 000 | 30 000 | 32 000 | 34 000 | |
| | • No. of primary schools with an overall pass rate in ANA of 50% and above | New | 3 080 | 3 111 | 3 142 | |
| | • No. of secondary schools with an overall pass rate in ANA of 40% and above | New | 189 | 191 | 193 | |
| | • No. of secondary schools with a matric pass rate of 60% and above | 1 399 | 1 469 | 1 543 | 1 620 | |
| | • % of children who turned 12 in the preceding year and who are currently enrolled in Grade 7 (or a higher grade) | 41% | 52% | 54.5% | 56.5% | |
| | • % of children who turned 9 in the previous year and who are currently enrolled in Grade 4 (or a higher grade) | 58% | 65% | 68% | 71% | |
| | • No. of schools provided with media resources | New | 600 | 600 | 600 | |
| | • No. of educators trained in literacy/language content and methodology | New | 3 000/1 000 | 3 000/1 000 | 3 000/1 000 | |

6.3 Programme 3: Independent School Subsidies

The purpose of this programme is to support independent schools, in accordance with the South African Schools Act. One of the main aims of this programme is to ensure timeous and orderly registration of independent schools in terms of the South African Schools Act, as well as other legislative frameworks.

These schools are evaluated and monitored by the department, and their capacity is developed to ensure the effective functioning of these schools and their governing bodies. Independent schools provide education and training to learners in the same way as public schools do, but are not governed by the same legislation as public schools. For quality purposes, independent schools are registered with the Association for Independent Schools, and have an Independent Examination Board.

Tables 5.20 and 5.21 below reflect summary of payments and estimates relating to this programme.

The growth from 2011/12 and 2012/13 is reflective of the inflationary increases allocated to this programme.

The increase in 2013/14 is due to the payment of the subsidies to schools, as per the court order, as mentioned previously. The amount allocated against *Goods and services* relates to legal fees incurred in connection with the court order.

The 2015/16 MTEF allocation increases in line with inflationary adjustments. This programme is facing pressures due to the number of enrolments in the independent schools. However, the allocation can only be made in relation to the available resources.

Table 5.20 : Summary of payments and estimates by sub-programme: Independent School Subsidies

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Primary Level | 39 647 | 42 605 | 53 432 | 45 654 | 45 654 | 45 654 | 47 754 | 50 285 | 52 799 |
| 2. Secondary Level | 23 467 | 22 968 | 24 269 | 28 741 | 28 741 | 28 741 | 30 063 | 31 656 | 33 239 |
| Total | 63 114 | 65 573 | 77 701 | 74 395 | 74 395 | 74 395 | 77 817 | 81 941 | 86 038 |

Table 5.21 : Summary of payments and estimates by economic classification: Independent School Subsidies

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | - | 5 302 | - | - | - | - | - | - |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Goods and services | - | - | 5 302 | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 63 114 | 65 573 | 72 399 | 74 395 | 74 395 | 74 395 | 77 817 | 81 941 | 86 038 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 63 114 | 65 573 | 72 399 | 74 395 | 74 395 | 74 395 | 77 817 | 81 941 | 86 038 |
| Households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 63 114 | 65 573 | 77 701 | 74 395 | 74 395 | 74 395 | 77 817 | 81 941 | 86 038 |

Service delivery measures – Programme 3: Independent School Subsidies

Table 5.22 below illustrates the main sector specific service delivery measure relevant to Programme 3. It is noted that almost all the targets over the MTEF have increased.

Table 5.22 : Service delivery measures – Programme 3: Independent School Subsidies

| Outputs | Performance indicators | Estimated Performance | Medium-term targets | | | |
|--|--|-----------------------|---------------------|---------|---------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| To ensure that quality education occurs in independent schools | • No. of subsidised learners in registered independent schools | 32 500 | 32 600 | 32 700 | 35 000 | |

6.4 Programme 4: Public Special School Education

The purpose of this programme is to provide compulsory public education in special schools in accordance with the South African Schools Act and White Paper 6 on Inclusive Education.

The sub-programmes are aimed at providing:

- Specific public special schools with resources.
- Educators and learners in public special schools with departmentally managed support services.
- Departmental services for the professional and other development of educators and non-educators in public special schools.
- Additional and departmentally managed sporting and cultural activities in public special schools.

To date, the department has 70 registered special schools, but more than 60 per cent of these are in urban areas. Furthermore, special schools are not inclusive and only admit learners according to the disability category that the school is registered for, thus excluding a number of learners who do not meet the requirement in terms of the admission policies.

Tables 5.23 and 5.24 below reflect payments and budgeted estimates for the period under review.

Table 5.23 : Summary of payments and estimates by sub-programme: Public Special School Education

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Schools | 725 427 | 727 551 | 845 431 | 798 431 | 830 431 | 844 095 | 911 638 | 981 678 | 1 042 265 |
| 2. Human Resource Development | 180 | - | - | 4 000 | 4 000 | - | 6 482 | 6 910 | 7 931 |
| 3. Conditional Grants | - | - | - | 41 581 | 41 581 | 41 581 | 13 079 | - | - |
| OSD for Education Sector Therapists grant | - | - | - | 41 581 | 41 581 | 41 581 | 13 079 | - | - |
| Total | 725 607 | 727 551 | 845 431 | 844 012 | 876 012 | 885 676 | 931 199 | 988 588 | 1 050 196 |

Table 5.24 : Summary of payments and estimates by economic classification: Public Special School Education

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 621 980 | 627 907 | 715 116 | 699 414 | 749 414 | 754 862 | 800 591 | 850 188 | 904 652 |
| Compensation of employees | 612 671 | 623 867 | 714 642 | 695 414 | 745 414 | 752 242 | 794 109 | 843 278 | 896 721 |
| Goods and services | 9 309 | 4 040 | 474 | 4 000 | 4 000 | 2 620 | 6 482 | 6 910 | 7 931 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 100 603 | 93 002 | 114 453 | 144 598 | 126 598 | 128 789 | 130 608 | 138 400 | 145 544 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 98 633 | 90 706 | 111 316 | 143 091 | 125 091 | 126 605 | 129 048 | 136 757 | 143 819 |
| Households | 1 970 | 2 296 | 3 137 | 1 507 | 1 507 | 2 184 | 1 560 | 1 643 | 1 725 |
| Payments for capital assets | 3 024 | 6 642 | 15 862 | - | - | 2 025 | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 3 024 | 6 642 | 15 862 | - | - | 2 025 | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 725 607 | 727 551 | 845 431 | 844 012 | 876 012 | 885 676 | 931 199 | 988 588 | 1 050 196 |

The programme reflects healthy growth over the seven-year period, indicative of the departments' quest to grant access to education for learners with special needs. The 2014/15 Adjusted Appropriation is higher than the Main Appropriation as a result of enforced savings and reprioritisation from Programme 6 *Buildings and other fixed structures* to *Compensation of employees* in order to fund the pressures in respect of the Schools sub-programme.

The sub-programme: Schools shows a steady increase over the period under review. The slight increase in 2013/14 was attributed to over-expenditure on *Compensation of employees* ascribed to the carry-through effects of the historical shortfall in funding for the implementation of the OSD for educators and various wage agreements. The increase in the 2014/15 Adjusted Appropriation was due to enforced savings against Programme 6 in order to mitigate the projected over-expenditure against *Compensation of employees*. Furthermore, an amount of R18 million was moved from this programme to fund the inclusive education activities that are conducted by the full service schools which are in Programme 2. The 2014/15 Revised Estimate is still higher than the Adjusted Appropriation, mainly due to the fact that the reprioritisation did not fully address the spending pressures against *Compensation of employees* as there was no longer any scope within the budget to do so. There is fair growth in this sub-programme effective from the second year of the 2015/16 MTEF, due to the carry-through effect of the budget reprioritisation.

The Human Resource Development sub-programme was affected by enforced savings from 2011/12 to 2013/14. This was also the case in 2014/15, as evidenced by the Revised Estimate with no expenditure projected. The MTEF budget increases steadily over the three years.

The Conditional grants sub-programme reflects funding allocated in respect of the OSD for Education Sector Therapists grant in 2014/15 and 2015/16 to allow for the full implementation of this collective agreement. The implementation of the agreement was backdated to July 2010, hence there is a higher

allocation in 2014/15 to allow for the back-payments. The grant is phased into the equitable share in the two outer years of the 2015/16 MTEF.

Compensation of employees reflects an upward trend over the period under review, influenced by the implementation of various wage agreements and OSD for educators over the years. The 2014/15 Adjusted Appropriation is higher than the Main Appropriation by R50 million due to the in-year reprioritisation and enforced savings against *Buildings and other fixed structures* in Programme 6 in order to ease spending pressures in respect of the higher than budgeted 2014 annual wage adjustments, as well as carry-through costs due to previous years' wage agreements and OSD. However, the 2014/15 Revised Estimate is still higher than the Adjusted Appropriation due to the fact that the reprioritisation did not fully address the spending pressures, as previously explained. The steady growth over the 2015/16 MTEF is reflective of the reprioritisation of funds from the infrastructure budget under Programme 6.

Goods and services experienced fluctuations between 2011/12 to 2013/14. The 2014/15 allocation was made to ensure that the training needs of this programme are taken care of. The low 2014/15 Revised Estimate is mainly due to financial control and enforced savings in order to remain within budget. The steady increase over the 2015/16 MTEF is due to the bulk of the funding having been allocated as transfers to schools, as reflected against *Transfers and subsidies to: Non-profit institutions*.

Transfers and subsidies to: Non-profit institutions fluctuates from 2011/12 to 2014/15, and grows steadily over the 2015/16 MTEF. The fluctuation in the first period is in respect of the non-compliance by some special schools for the department to transfer funds. The decrease in the 2014/15 Adjusted Appropriation relates to an amount of R18 million which was moved from this programme to fund the inclusive education activities that are conducted by the full service schools which are in Programme 2. There is a consistent increase over the 2015/16 MTEF because more schools will be undertaking their own procurement moving forward.

Transfers and subsidies to: Households relates to staff exit costs.

Machinery and equipment fluctuates between 2011/12 and 2013/14. The high amount in 2013/14 is attributed to the purchase of buses for special schools. The 2014/15 Revised Estimate relates to the accruals for buses which were delivered in the ensuing year. No budget is allocated over the 2015/16 MTEF due to the 2013/14 budget reconfiguration process that was undertaken in order to fund spending pressures against *Compensation of employees*. The enforced reprioritisation was carried through to 2014/15 and over the MTEF, resulting in no allocation for this category.

Service delivery measures – Programme 4: Public Special School Education

Table 5.25 below illustrates the main sector specific service delivery measures relevant to Programme 4.

It is noted that most of the targets over the MTEF have remained constant and, in some cases, are increasing.

Table 5.25 : Service delivery measures – Programme 4: Public Special School Education

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|--|---|-----------------------|---------------------|---------|---------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| To provide access to special schools in accordance with policy and principles of inclusive education | • No. of learners enrolled in public special schools | 17 177 | 17 517 | 17 717 | 18 996 | |
| | • No. of educators employed in public special schools | 1 468 | 1 468 | 1 468 | 1 600 | |
| | • No. of professional support staff employed in public special schools | 323 | 366 | 382 | 382 | |
| | • % of learners with special needs in special schools retained in school until age 16 | 100% | 100% | 100% | 100% | |
| | • % of special schools serving as resource centres | 22% | 34% | 34% | 34% | |

6.5 Programme 5: Early Childhood Development

The objective of this programme is to provide ECD at the Grade R and earlier levels in accordance with White Paper 5 on ECD. The main services are:

- To provide specific public ordinary schools with resources required for Grade R.
- To support particular community centres at the Grade R level.
- To provide particular sites with resources required for pre-Grade R.
- To provide educators and learners in ECD sites with departmentally managed support services.
- To provide departmental services for the professional and other development of educators and non-educators in ECD sites.

Tables 5.26 and 5.27 reflect payments and budgeted estimates for the period 2011/12 to 2017/18. The budget for this programme has grown substantially from 2011/12 to 2017/18. This growth reflects the focus of the sector toward universal access to Grade R. The sub-programmes within this programme reflect fluctuations over the seven-year period under review.

Table 5.26 : Summary of payments and estimates by sub-programme: Early Childhood Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Grade R in Public Schools | 254 704 | 276 244 | 265 316 | 414 769 | 414 769 | 416 118 | 606 375 | 650 418 | 686 731 |
| 2. Grade R in Early Childhood Development Centres | 80 757 | 120 881 | 158 385 | 102 805 | 102 805 | 59 920 | 20 511 | 20 398 | 22 596 |
| 3. Pre-Grade R Training | 5 498 | 59 007 | 13 384 | 128 894 | 128 894 | 46 566 | 63 096 | 75 934 | 65 449 |
| 4. Human Resource Development | 4 666 | 6 735 | 250 | 5 000 | 5 000 | - | 5 438 | 5 767 | 6 089 |
| Total | 345 625 | 462 867 | 437 335 | 651 468 | 651 468 | 522 604 | 695 420 | 752 517 | 780 865 |

Table 5.27 : Summary of payments and estimates by economic classification: Early Childhood Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 329 545 | 462 709 | 437 210 | 619 969 | 619 969 | 491 014 | 645 420 | 702 252 | 730 337 |
| Compensation of employees | 315 368 | 405 284 | 429 027 | 566 989 | 499 989 | 466 183 | 533 884 | 583 715 | 619 370 |
| Goods and services | 14 177 | 57 425 | 8 183 | 52 980 | 119 980 | 24 831 | 111 536 | 118 537 | 110 967 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 16 080 | 158 | 125 | 31 499 | 31 499 | 31 590 | 50 000 | 50 265 | 50 528 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 15 914 | 13 | - | 31 499 | 31 499 | 31 499 | 50 000 | 50 265 | 50 528 |
| Households | 166 | 145 | 125 | - | - | 91 | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 345 625 | 462 867 | 437 335 | 651 468 | 651 468 | 522 604 | 695 420 | 752 517 | 780 865 |

The Grade R in the Public Schools sub-programme increases significantly between 2013/14 and 2017/18, largely due to the various wage agreements and the implementation of the progressively increasing payments to ECD practitioners from R5 000 to R5 500. The 2014/15 Revised Estimate is slightly higher than the Adjusted Appropriation due to pressures against *Compensation of employees* related to the increases in the salaries for ECD practitioners. An increase for transfers to ECD centres in these schools has been provided for over the 2015/16 MTEF.

The Grade R in the Early Childhood Development Centres sub-programme fluctuates over the seven-year period. The policy allows for a maximum of 15 per cent of the budget to be allocated toward Grade R in community centres, and the department is within this threshold. The allocation for these centres is largely to provide for the stipends that are payable to the practitioners. Funding has been allowed for training requirements of these practitioners, as well as the fact that some of the crèches will be developed as model crèches and hence will be supplied with the required equipment and materials.

The responsibility of the department, as far as the Pre-Grade R sub-programme is concerned, is to offer training (skills training to ECD management staff, and other personnel such as caregivers and support staff working in the creches) and, as such, the budget that is provided in this regard is for that purpose. The low spending in 2011/12 was due to financial control. The allocation over the 2015/16 MTEF is in line with the objectives of this sub-programme in terms of providing bursaries to the practitioners and purchasing of the toolkit for training.

The Human Resource Development sub-programme's budget is allocated to priorities such as encouraging the uptake of bursaries with regard to employees that wish to focus on ECD, and thus counter the shortage of qualified educators in this area. The expenditure patterns from 2011/12 to 2013/14 fluctuate due to enforced savings that affected training and development, as previously explained. The allocation over the 2015/16 MTEF is in line with the DPSA directive.

The increase in *Compensation of employees* over the seven-year period is influenced by the increases that were made to monthly stipends for ECD practitioners from R3 000 to R4 000 per month in 2011/12 and from R4 000 to R5 500 per month in 2013/14. The significant increase in the 2014/15 Main Appropriation is influenced by the carry-through effects of increased monthly stipends to practitioners, as well as the carry-through effects of OSD and wage agreements that were partly under-funded in prior years. The decrease in the 2014/15 Adjusted Appropriation is ascribed to expenditure related to training with respect to Pre-Grade R. These funds were inadvertently allocated against this category and were moved to *Goods and services* during the Adjustments Estimate. There is strong growth in the two outer years of the 2015/16 MTEF, due to additional funding allocated to increase the number of Grade R teachers. The Human Resource Development sub-programme's budget is allocated to priorities such as encouraging the uptake of bursaries with regard to employees that wish to focus on ECD, and thus counter the shortage of qualified educators in this area. The expenditure patterns between 2011/12 and 2013/14 fluctuate due to cost-cutting that affected training and development, as previously explained. The allocation over the 2015/16 MTEF is in line with the Skills Act.

As with the programme growth, *Goods and services* fluctuates over the seven-year period. The peak in 2012/13 relates to additional funding that was provided for the expansion of Grade R. The low amount in 2013/14 relates to financial control in order to ease pressures against personnel. The increase in the 2014/15 Adjusted Appropriation relates to the allocation of funds for training, as previously mentioned these funds were inadvertently allocated against *Compensation of employees*. The 2015/16 MTEF allocation has been set aside to cater for the various training needs and to procure the necessary toolkits for all the sub-programmes within this programme.

The budget allocated to *Transfers and subsidies to: Non-profit institutions* in 2011/12 was for transfers that were made to schools with Grade R classes to ensure that they are progressively exposed to running their own affairs. However, in 2012/13 and 2013/14, the department bought the resources on behalf of these schools, hence the lower spending. The 2014/15 budget is projected to be fully spent, and the allocation over the 2015/16 MTEF reflects inflationary increases.

Service delivery measures – Programme 5: Early Childhood Development

Table 5.28 below illustrates the main sector specific service delivery measures relevant to Programme 5.

A number of measures were introduced by the sector in 2015/16 and are indicated as “New” in the 2014/15 Estimated performance.

Table 5.28 : Service delivery measures – Programme 5: Early Childhood Development

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|--|--|-----------------------|---------------------|---------|---------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| To provide publicly funded Grade R in accordance with policy | • No. of learners enrolled in Grade R in public schools | 230 000 | 240 000 | 245 000 | 250 000 | |
| | • No. of public schools that offer Grade R | 3 948 | 3 953 | 3 995 | 3 995 | |
| | • No. of Grade R practitioners employed in public ordinary schools per quarter | 5 600 | 5 803 | 5 978 | 6 078 | |
| | • % of Grade 1 learners who have received formal Grade R education | New | 80% | 85% | 90% | |
| | • % of employed ECD practitioners with NQF level 4 and above | New | 50% | 55% | 60% | |

6.6 Programme 6: Infrastructure Development

The aim of this programme is to provide and maintain infrastructure facilities for the administration and schools. It thus reflects the implementation of infrastructure across all affected programmes.

Tables 5.29 and 5.30 below reflect the summary of payments and estimates relating to this programme. The sub-programmes are split by Administration and the Education phase category, as reflected in Table 5.29.

The allocation for this programme grows steadily over the period, due to the EIG grant allocation. This grant supplements existing infrastructure budgets and functions.

Table 5.29 : Summary of payments and estimates by sub-programme: Infrastructure Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 7 113 | 110 765 | 74 357 | 176 053 | 176 053 | 161 773 | 121 049 | 88 628 | 93 060 |
| 2. Public Ordinary Schools | 1 892 615 | 2 077 935 | 1 656 979 | 1 702 566 | 842 566 | 1 408 800 | 1 531 910 | 1 548 092 | 1 418 810 |
| 3. Special Schools | 154 216 | 225 780 | 377 879 | 392 463 | 392 463 | 80 846 | 404 947 | 297 016 | 311 314 |
| 4. Early Childhood Development | 142 798 | 281 244 | 437 681 | 451 267 | 451 267 | 210 930 | 471 329 | 345 092 | 362 347 |
| Total | 2 196 742 | 2 695 724 | 2 546 896 | 2 722 349 | 1 862 349 | 1 862 349 | 2 529 235 | 2 278 828 | 2 185 531 |

Table 5.30 : Summary of payments and estimates by economic classification: Infrastructure Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 100 346 | 253 554 | 194 530 | 149 412 | 149 412 | 137 221 | 239 383 | 257 898 | 263 276 |
| Compensation of employees | - | - | - | - | - | - | 25 000 | 26 600 | 28 276 |
| Goods and services | 100 346 | 253 554 | 194 530 | 149 412 | 149 412 | 137 221 | 214 383 | 231 298 | 235 000 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | - | - | - | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 2 096 396 | 2 442 170 | 2 352 366 | 2 572 937 | 1 712 937 | 1 725 128 | 2 289 852 | 2 020 930 | 1 922 255 |
| Buildings and other fixed structures | 2 096 396 | 2 442 170 | 2 352 366 | 2 572 937 | 1 712 937 | 1 725 128 | 2 288 852 | 2 020 930 | 1 922 255 |
| Machinery and equipment | - | - | - | - | - | - | 1 000 | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 2 196 742 | 2 695 724 | 2 546 896 | 2 722 349 | 1 862 349 | 1 862 349 | 2 529 235 | 2 278 828 | 2 185 531 |

The Administration sub-programme reflects a fluctuating trend from 2011/12 to 2013/14, largely due to the re-direction of the budget to Public Ordinary Schools in the latter year, to address the spending pressures caused by the high demand for schools' rehabilitation. The 2014/15 Revised Estimate reflects lower expenditure due to pressures experienced in respect of the Public Ordinary School Education. The low growth over the 2015/16 MTEF is due to the prioritisation of school's infrastructure funding, since the equitable share portion was redirected to personnel.

The Public Ordinary School Education sub-programme consumes the largest portion of the infrastructure budget. The high amounts in 2011/12 and 2012/13 are indicative of the pressures that are felt by this sub-programme in terms of the education infrastructure needs. In particular, 2012/13 is higher than the previous year due to the acceleration of school infrastructure projects, as well as once-off additional funding received as a result of the stopping of parts of the Education Infrastructure grant from Limpopo and re-allocated to KZN. There is a slight decrease in 2013/14 as the spending for Early Childhood Development accelerated. This sub-programme has felt the brunt of enforced savings as the total of R860 million was moved in order to cater for the spending pressures that arose from *Compensation of employees* due to historical pressures, as well as the partial funding of the 1 per cent above budget 2014 wage adjustment. The high 2014/15 Revised Estimate relates to the projects committed in the previous year, which had already accelerated on site, but had to stop due to enforced savings and reprioritisation to *Compensation of employees*. The growth over the MTEF makes provision for upgrades and additions, as well as the construction of new schools which is funded from both the EIG and equitable share.

The Special School sub-programme reflects an upward trend from 2011/12 to 2013/14. No changes have been effected to the 2014/15 Adjusted Appropriation. The Revised Estimate is lower, in anticipation of spending pressures arising from the excision of the R860 million in the public schools infrastructure budget. The growth over the 2015/16 MTEF makes provision for upgrades and additions, as well as the construction of school facilities for schools with learners with special needs.

The Early Childhood Development sub-programme reflects a fluctuating trend. No amendments have been made to the 2014/15 Adjusted Appropriation, but the Revised Estimate is lower in anticipation of spending pressures arising from the reduction of the R860 million against public ordinary schools.

An allocation of R80 million has been made over the 2015/16 MTEF for the funding of the specialists in this field as per the EIG grant framework, and this is allocated against *Compensation of employees*.

Goods and services caters for the maintenance and repairs allocation. There is an upward trend from 2011/12 to 2013/14. No changes have been made to the 2014/15 Adjusted Appropriation, however, the Revised Estimate is lower in anticipation, of spending pressures arising from the reduction of the R860 million against the public ordinary school's budget for *Buildings and other fixed structures*. Provision has also been made for professional services for projects that are managed internally.

Buildings and other fixed structures fluctuates over the period under review, largely due to additional funding in respect of the EIG, while there is a decline in the two outer years of the MTEF. The decrease in the Adjusted Appropriation compared to the Main Appropriation is attributed to the redirection of R860 million to ease spending pressures against personnel. This reduction has been carried over the 2015/16 MTEF (R1.107 billion in 2015/16, R1.370 billion in 2016/17, and R1.634 billion in 2017/18). This was reduced in the equitable share portion of the infrastructure budget.

Service delivery measures – Programme 6: Infrastructure Development

Table 5.31 below illustrates the main sector specific service delivery measures relevant to Programme 6.

A number of measures were introduced by the sector in 2015/16 and are indicated as "New" in the 2014/15 Estimated performance.

It is noted that, despite the budget cuts, almost all the targets over the MTEF reflect downward projection and, in some cases, are increasing.

Table 5.31 : Service delivery measures – Programme 6: Infrastructure Development

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|--|---|-----------------------|---------------------|---------|---------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| To put in place basic infrastructure for schooling in accordance with policy | • No. of public ordinary schools provided with water supply | 325 | 100 | 425 | 400 | |
| | • No. of public ordinary schools provided with electricity | 100 | 100 | 200 | 150 | |
| | • No. of public ordinary schools supplied with sanitation facilities | 325 | 100 | 200 | 150 | |
| | • No. of classrooms built in public ordinary schools | 1 400 | 1 450 | 1 500 | 2 000 | |
| | • No. of specialist rooms built in public ordinary schools (all rooms except classrooms – include laboratories, stock rooms, sick bays, kitchens) | 1 000 | 1 000 | 1 200 | 1 400 | |
| | • No. of new schools completed and ready for occupation (includes replacement schools) | New | 10 | 20 | 14 | |
| | • No. of Grade R classrooms built | New | 29 | 27 | 27 | |
| | • No. of hostels built | New | 1 | 2 | 4 | |
| | • No. of schools undergoing scheduled maintenance | New | 200 | 250 | 250 | |

6.7 Programme 7: Examination and Education Related Services

The purpose of Programme 7 is to provide examination support services to learners in the relevant grades, and ensure quality in the provision of education, through quality assurance.

The objectives are as follows:

- To provide the education institutions as a whole with training and professional support.
- To provide employee human resource development in accordance with the Skills Development Act.
- To provide for projects specified by the department, applicable to more than one programme and funded with conditional grants.
- To provide for special departmentally managed intervention projects in the education system as a whole.
- To provide for departmentally managed examination services.

The 2014/15 Adjusted Appropriation reflects the addition of new sub-programmes, including Professional Services and HIV and AIDS (Life-Skills Education) grant, which have been moved to this programme from Programme 2: Public Ordinary Schools due to the changes in the sectoral budget structure. Comparative figures have been adjusted accordingly.

Tables 5.32 and 5.33 reflect payments and estimates relating to the budget for Payments to SETA, Professional Service, External Examinations and HIV and AIDS (Life-Skills Educational) grant.

Table 5.32 : Summary of payments and estimates by sub-programme: Examination and Education Related Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Payments to SETA | 18 944 | 19 891 | 22 358 | 22 030 | 22 030 | 22 030 | 78 139 | 83 257 | 88 762 |
| 2. Professional Services | 539 932 | 527 361 | 550 623 | - | 366 612 | 536 612 | 528 042 | 561 140 | 606 417 |
| 3. External Examinations | 559 757 | 474 702 | 528 858 | 657 244 | 657 244 | 609 028 | 562 603 | 590 453 | 597 833 |
| 4. Conditional Grants | 45 114 | 49 954 | 19 348 | - | 81 547 | 81 547 | 50 588 | 53 096 | 56 115 |
| HIV and AIDS (Life-Skills Education) grant | 45 114 | 49 954 | 19 348 | - | 81 547 | 81 547 | 50 588 | 53 096 | 56 115 |
| Total | 1 163 747 | 1 071 908 | 1 121 187 | 679 274 | 1 127 433 | 1 249 217 | 1 219 372 | 1 287 946 | 1 349 127 |

Table 5.33 : Summary of payments and estimates by sub-programme: Examination and Education Related Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 1 124 806 | 1 041 967 | 1 095 746 | 657 244 | 1 094 603 | 1 216 595 | 1 130 433 | 1 193 889 | 1 244 365 |
| Compensation of employees | 729 082 | 710 027 | 753 181 | 392 976 | 759 588 | 808 520 | 824 731 | 909 669 | 984 903 |
| Goods and services | 395 721 | 331 938 | 342 564 | 264 268 | 335 015 | 408 075 | 305 702 | 284 220 | 259 462 |
| Interest and rent on land | 3 | 2 | 1 | - | - | - | - | - | - |
| Transfers and subsidies to: | 38 554 | 29 872 | 25 188 | 22 030 | 32 830 | 31 791 | 88 939 | 94 057 | 104 762 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 18 944 | 19 891 | 22 358 | 22 030 | 22 030 | 22 030 | 78 139 | 83 257 | 88 762 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 16 712 | 7 178 | 12 | - | 10 800 | 6 955 | 10 800 | 10 800 | 16 000 |
| Households | 2 898 | 2 803 | 2 818 | - | - | 2 806 | - | - | - |
| Payments for capital assets | 387 | 69 | 253 | - | - | 831 | - | - | - |
| Buildings and other fixed structures | 51 | - | - | - | - | - | - | - | - |
| Machinery and equipment | 336 | 69 | 253 | - | - | 831 | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 1 163 747 | 1 071 908 | 1 121 187 | 679 274 | 1 127 433 | 1 249 217 | 1 219 372 | 1 287 946 | 1 349 127 |

The Payments to SETA sub-programme reflects a steady increase over the period, as it is linked to the department's wage bill. However, for the 2015/16 MTEF, a directive has been given by the DPSA to the effect that 30 per cent of the skills levy should be allocated to the ETDP SETA, hence the increase.

The Professional Services sub-programme fluctuates over the period under review largely influenced by the increase in *Compensation of employees*. The 2014/15 Revised Estimate is higher than the Adjusted Appropriation as there was no allocation for *Goods and services* while it is anticipated that expenditure related to operational costs will be incurred. The necessary allocation against *Goods and services* over the MTEF is to allow sufficient budget for the professional staff to visit the schools accordingly.

The External Examination sub-programme fluctuates over the period under review, indicative of the increased number of exams, due to the expansion in the range of courses offered to learners. This sub-programme includes the budget for the marking arrangements for the ANA, NSC and NCS examinations, including the payments for markers, the marking centres, as well as security arrangements linked thereto. The 2014/15 Adjusted Appropriation remains the same as the Main Appropriation. The 2014/15 Revised Estimate is slightly lower due to the cost-containment measures implemented in order to alleviate the projected over-expenditure. The 2015/16 amount is lower than the 2014/15 Revised Estimate due to reprioritisation of funds to correct the anomaly as a result of over-budgeting.

There is constant growth against the HIV and AIDS (Life-Skills Education) grant from 2011/12 to 2017/18. The grant grows modestly over the MTEF, as it is affected by the fiscal consolidation cuts.

Compensation of employees grows steadily over the seven-year period. The 2014/15 Adjusted Appropriation is reflective of an increase due to the addition of the Professional Services sub-programme which was moved to this programme under *Compensation of employees*. However, the 2014/15 Revised Estimate is higher due to the absence of the scope within the budget to deal with the unfunded 1 per cent above budget 2014 wage adjustment. The 2015/16 MTEF allocation takes into account the carry-through effects of the sectoral budget structure arrangements, as well as providing for the inflationary increases.

Transfers and subsidies to: Departmental agencies and accounts reflects an increase over the seven-year period, in line with the increase in the wage bill. These transfers are made to ETDP SETA. Furthermore, the carry-through effects of the transfers made to schools through the HIV and AIDS (Life-Skills Education) grant have been provided for over the 2015/16 MTEF.

There is no allocation against *Machinery and equipment* over the 2015/16 MTEF due to the reprioritisation of funds undertaken by the department toward *Compensation of employees*.

Service delivery measures – Programme 7: Examination and Education Related Services

Table 5.34 below illustrates the main sector specific service delivery measures relevant to Programme 7. It is noted that almost all the targets over the MTEF have increased.

Table 5.34 : Service delivery measures – Programme 7: Examination and Education Related Services

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|--|---|-----------------------|---------------------|---------|---------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| To provide specialist support services with support functions to Public Ordinary Schools | • % of learners who passed NSC | 69.7% | 81.0% | 84.1% | 87.0% | |
| | • % of Grade 12 learners passing at bachelor level | 35.75% | 37.54% | 39.42% | 41.40% | |
| | • % of Grade 12 learners achieving 50% or more in Mathematics | 26.4% | 30.9% | 35.4% | 39.9% | |
| | • % of Grade 12 learners achieving 50% or more in Physical Science | 27.6% | 31.1% | 34.6% | 38.1% | |
| | • % of Grade 3 learners achieving 50% and above in Mathematics in the ANA | 71% | 74% | 77% | 80% | |
| | • % of Grade 3 learners achieving 50% and above in Home Language in ANA | 71% | 74% | 77% | 80% | |
| | • % of Grade 6 learners achieving 50% and above in Mathematics in the ANA | 39% | 41% | 43% | 45% | |
| | • % of Grade 9 learners achieving 50% and above in Home Language in ANA | 49% | 50% | 51% | 52% | |
| | • % of Grade 9 learners achieving 50% and above in Mathematics | 3% | 5% | 7% | 9% | |

7. Other programme information

7.1 Personnel numbers and costs

Table 5.35 below reflects personnel information per programme for Education, while Table 5.36 provides a further analysis of personnel information indicating the Finance and Human Resource components, as well as the various categories of employees.

The tables include both educator and non-educator salaries and post numbers. Salary costs continue to be a major cost driver in the department's budget, with Programme 2 having the largest share of the department's post allocation.

Table 5.35 indicates the number of employees that can be afforded given the *Compensation of employees* budget for each financial year and thus working out the average unit cost. However, with regard to the previous years, the table indicates the total number of employees that were on the payroll as at the end of that particular year.

As mentioned, the introduction of OSD in 2008 reduced the ability of the department to afford the employees that were employed at the time. While the establishment was approved and fully funded at 109 060 posts at the end of 2007/08, this affordability was reduced to the current affordability of 107 433 as at the end of March 2014. A similar affordability level is retained till March 2015, after which the employee numbers decrease to 107 433 due to the function shift of some of the programmes to DHET effective from 2015/16. The reason that the affordability remains constant, notwithstanding the reduction in employee numbers, is because *Compensation of employees* increases every year, and this increase has been built into the budget for the 2015/16 MTEF.

Table 5.35 : Personnel numbers and costs by programme

| 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 | 3 165 | 3 329 | 3 464 | 3 464 | 3 464 | 3 464 | 3 464 |
| 2. Public Ordinary School Education | 99 593 | 97 967 | 100 192 | 100 192 | 99 090 | 99 090 | 99 090 |
| 3. Independent School Subsidies | - | - | - | - | - | - | - |
| 4. Public Special School Education | 3 136 | 3 163 | 3 196 | 3 196 | 3 196 | 3 196 | 3 196 |
| 5. Early Childhood Development | 320 | 340 | 358 | 358 | 358 | 358 | 358 |
| 6. Infrastructure Development | - | - | - | - | - | - | - |
| 7. Examination and Education Related Services | 240 | 272 | 223 | 223 | 1 325 | 1 325 | 1 325 |
| Total | 106 454 | 105 071 | 107 433 | 107 433 | 107 433 | 107 433 | 107 433 |
| Total personnel cost (R thousand) | 26 207 123 | 27 557 742 | 29 930 297 | 32 199 501 | 34 371 860 | 36 677 894 | 38 979 770 |
| Unit cost (R thousand) | 246 | 262 | 279 | 300 | 320 | 341 | 363 |

Table 5.36 : Summary of departmental personnel numbers and costs by component

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|------------|------------|-----------------------|---------------------------|---------------------|-----------------------|------------|------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Total for the department | | | | | | | | | |
| Personnel numbers (head count) | 106 454 | 105 071 | 107 433 | 107 433 | 107 433 | 107 433 | 107 433 | 107 433 | 107 433 |
| Personnel cost (R thousands) | 26 207 123 | 27 557 742 | 29 930 297 | 31 449 693 | 32 243 560 | 32 199 501 | 34 371 860 | 36 677 894 | 38 979 770 |
| Human resources component | | | | | | | | | |
| Personnel numbers (head count) | 960 | 804 | 595 | 537 | 537 | 537 | 537 | 537 | 537 |
| Personnel cost (R thousands) | 202 672 | 150 076 | 113 850 | 74 231 | 74 231 | 74 231 | 78 982 | 83 958 | 89 247 |
| Head count as % of total for department | 0.90 | 0.77 | 0.55 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Personnel cost as % of total for department | 0.77 | 0.54 | 0.38 | 0.24 | 0.23 | 0.23 | 0.23 | 0.23 | 0.23 |
| Finance component | | | | | | | | | |
| Personnel numbers (head count) | 536 | 457 | 354 | 171 | 171 | 171 | 171 | 171 | 171 |
| Personnel cost (R thousands) | 106 738 | 103 772 | 81 091 | 47 959 | 47 959 | 47 959 | 51 028 | 54 243 | 57 660 |
| Head count as % of total for department | 0.50 | 0.43 | 0.33 | 0.16 | 0.16 | 0.16 | 0.16 | 0.16 | 0.16 |
| Personnel cost as % of total for department | 0.41 | 0.38 | 0.27 | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 |
| Full time workers | | | | | | | | | |
| Personnel numbers (head count) | 105 320 | 104 122 | 106 262 | 105 897 | 105 897 | 105 897 | 105 897 | 105 897 | 105 897 |
| Personnel cost (R thousands) | 26 039 002 | 27 400 121 | 29 709 767 | 31 118 515 | 31 912 382 | 31 868 323 | 34 019 486 | 36 303 322 | 38 581 599 |
| Head count as % of total for department | 98.93 | 99.10 | 98.91 | 98.57 | 98.57 | 98.57 | 98.57 | 98.57 | 98.57 |
| Personnel cost as % of total for department | 99.36 | 99.43 | 99.26 | 98.95 | 98.97 | 98.97 | 98.97 | 98.98 | 98.98 |
| Part-time workers | | | | | | | | | |
| Personnel numbers (head count) | 779 | 500 | 860 | 1 101 | 1 101 | 1 101 | 1 101 | 1 101 | 1 101 |
| Personnel cost (R thousands) | 120 856 | 105 690 | 182 432 | 287 246 | 287 246 | 287 246 | 305 630 | 324 884 | 345 352 |
| Head count as % of total for department | 0.73 | 0.48 | 0.80 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 |
| Personnel cost as % of total for department | 0.46 | 0.38 | 0.61 | 0.91 | 0.89 | 0.89 | 0.89 | 0.89 | 0.89 |
| Contract workers | | | | | | | | | |
| Personnel numbers (head count) | 355 | 449 | 311 | 435 | 435 | 435 | 435 | 435 | 435 |
| Personnel cost (R thousands) | 47 265 | 51 931 | 38 098 | 43 932 | 43 932 | 43 932 | 46 744 | 49 688 | 52 819 |
| Head count as % of total for department | 0.33 | 0.43 | 0.29 | 0.40 | 0.40 | 0.40 | 0.40 | 0.40 | 0.40 |
| Personnel cost as % of total for department | 0.18 | 0.19 | 0.13 | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 |

The unit cost shows a healthy growth over the seven-year period. It would appear that the budget reprioritisation process that started in 2014/15 has yielded some results in terms of ensuring that the *Compensation of employees* budget fully funds the employees in the establishment. This means that the department may be able to fill positions as they become vacant during the year, provided that the post was within the 107 433 affordability. Any appointment above 107 433 will bring the department back to over-expenditure. It is thus critical that recruitment is monitored closely. Posts that are currently vacant and not included in the 107 433 have not been provided for. It must also be noted that the budget over the 2015/16 MTEF takes into account the salary increases at 6.4, 6.3 and 6.3 per cent. Any increase that is above the figures budgeted for will not be affordable for the department.

However, the matching of the budget for *Compensation of employees* to the expenditure pressures came at a cost as the bulk of the equitable share portion of the infrastructure budget, was utilised to funds *Compensation of employees* pressures. In prior years, all the other categories of budget bore the brunt of being crowded out by the *Compensation of employees* budget. At this point in time, the *Compensation of employees* consumes 89 per cent of the total budget excluding conditional grants.

The effect of the in-year reprioritisation dictated that a holistic budget reprioritisation had to be undertaken over the 2015/16 MTEF in order to eliminate the challenges as mentioned above, as it became clear that no additional funding would be allocated given the fiscal framework's uncertainties, to the extent that it would eliminate the challenges experienced.

7.2 Training

Tables 5.37 and 5.38 reflect departmental expenditure on training per programme, as well as information on training over the seven-year period under review.

The total training budget comprises the allocations for training and development and employees' bursaries, hence the total figures for Training in this table do not correspond to those in Table 5.B in the *Annexure*.

Table 5.37 : Payments on training by programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 7 106 | 1 337 | 13 190 | 16 600 | 16 600 | 17 210 | 9 587 | 10 299 | 13 974 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | 7 106 | 1 337 | 13 190 | 16 600 | 16 600 | 17 210 | 9 587 | 10 299 | 13 974 |
| 2. Public Ordinary School Education | 41 596 | 63 904 | 39 181 | 136 652 | 136 652 | 88 521 | 166 659 | 177 103 | 185 177 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | 41 596 | 63 904 | 39 181 | 136 652 | 136 652 | 88 521 | 166 659 | 177 103 | 185 177 |
| 3. Independent School Subsidies | - | - | - | - | - | - | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| 4. Public Special School Education | 180 | - | - | 4 000 | 4 000 | - | 6 482 | 6 910 | 7 931 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | 180 | - | - | 4 000 | 4 000 | - | 6 482 | 6 910 | 7 931 |
| 5. Early Childhood Development | 4 666 | 6 735 | 250 | 5 000 | 5 000 | - | 5 438 | 5 767 | 6 089 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | 4 666 | 6 735 | 250 | 5 000 | 5 000 | - | 5 438 | 5 767 | 6 089 |
| 6. Infrastructure Development | - | - | - | - | - | - | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| 7. Examination and Education Related Services | - | - | - | - | - | - | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Total | 53 548 | 71 976 | 53 837 | 163 502 | 163 502 | 106 981 | 189 579 | 201 492 | 214 655 |

Table 5.38 : Information on training: Education

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Number of staff | 106 454 | 105 071 | 107 433 | 107 433 | 107 433 | 107 433 | 107 433 | 107 433 | 107 433 |
| Number of personnel trained | - | - | - | 107 736 | 107 736 | 30 072 | 35 000 | 36 000 | 38 000 |
| of which | | | | | | | | | |
| Male | - | - | - | 38 860 | 38 860 | 17 014 | 18 500 | 19 500 | 20 500 |
| Female | - | - | - | 68 876 | 68 876 | 13 058 | 16 500 | 16 500 | 17 500 |
| Number of training opportunities | - | - | - | 41 172 | 41 172 | 41 172 | 52 785 | 52 785 | 55 424 |
| of which | | | | | | | | | |
| Tertiary | - | - | - | 4 187 | 4 187 | 4 187 | 4 687 | 4 687 | 4 921 |
| Workshops | - | - | - | 1 109 | 1 109 | 1 109 | 1 309 | 1 309 | 1 374 |
| Seminars | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | 35 876 | 35 876 | 35 876 | 46 789 | 46 789 | 49 128 |
| Number of bursaries offered | - | - | - | 15 350 | 15 350 | 15 350 | 6 000 | 7 000 | 8 000 |
| Number of interns appointed | - | - | - | 367 | 367 | 367 | 400 | 400 | 420 |
| Number of learnerships appointed | - | - | - | - | - | - | - | - | - |
| Number of days spent on training | - | - | - | 5 | 5 | 5 | 5 | 5 | 5 |

The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. However, due to the expenditure pressures in *Compensation of employees*, the department does not fully spend the training budget. The trend fluctuates over the period under review attributable to the continued implementation of financial control. A peak is noted in 2012/13 due to the training offered due to the changes in the curriculum. The training budget is set to increase fairly steadily over the 2015/16 MTEF, in order to address the educators' skills gaps and improve the quality of education, through the availability of the in-service training centre.

It is noted that, the historic figures for Table 5.38 could not be provided by the department, since the information was not captured at this level during that period.

ANNEXURE – VOTE 5: EDUCATION

Table 5.A : Details of departmental receipts: Education

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|----------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 36 780 | 40 938 | 48 668 | 46 108 | 46 108 | 46 108 | 50 156 | 55 467 | 58 564 |
| Sale of goods and services produced by dept. (excl. capital assets) | 36 779 | 40 938 | 48 668 | 46 108 | 46 108 | 46 108 | 50 156 | 55 467 | 58 564 |
| Sales by market establishments | 2 413 | 2 257 | - | - | - | - | - | - | - |
| Administrative fees | 34 366 | 38 681 | 48 668 | 46 108 | 46 108 | 46 108 | 50 156 | 55 467 | 58 564 |
| Other sales | - | - | - | - | - | - | - | - | - |
| Of which | | | | | | | | | |
| Health patient fees | - | - | - | - | - | - | - | - | - |
| Sale of scrap, waste, arms and other used current goods (excl. capital assets) | 1 | - | - | - | - | - | - | - | - |
| Transfers received from: | - | - | - | - | - | - | - | - | - |
| Other governmental units | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments | - | - | - | - | - | - | - | - | - |
| International organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Households and non-profit institutions | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | 11 677 | 1 579 | 1 424 | 307 | 307 | 307 | 321 | 341 | 358 |
| Interest | 11 677 | 1 579 | 1 424 | 307 | 307 | 307 | 321 | 341 | 358 |
| Dividends | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | 6 745 | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Other capital assets | 6 745 | - | - | - | - | - | - | - | - |
| Transactions in financial assets and liabilities | 33 903 | 43 295 | 57 402 | 26 784 | 26 784 | 26 784 | 30 768 | 31 876 | 33 470 |
| Total | 89 105 | 85 812 | 107 494 | 73 199 | 73 199 | 73 199 | 81 245 | 87 684 | 92 392 |

Table 5.B : Payments and estimates by economic classification: Education

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|-------------------|-------------------|
| R thousand | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2014/15 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 29 342 252 | 30 423 139 | 33 110 544 | 34 480 654 | 35 518 259 | 35 508 167 | 37 854 591 | 40 224 803 | 42 551 909 |
| Compensation of employees | 26 207 123 | 27 557 742 | 29 930 297 | 31 449 693 | 32 243 560 | 32 199 501 | 34 371 860 | 36 677 894 | 38 979 770 |
| Salaries and wages | 20 965 698 | 23 651 217 | 23 944 568 | 24 615 103 | 25 206 970 | 32 199 501 | 27 044 087 | 28 954 557 | 30 916 860 |
| Social contributions | 5 241 425 | 3 906 525 | 5 985 729 | 6 834 590 | 7 036 590 | - | 7 327 773 | 7 723 337 | 8 062 910 |
| Goods and services | 3 134 659 | 2 865 137 | 3 174 510 | 3 030 961 | 3 274 699 | 3 306 983 | 3 482 731 | 3 546 909 | 3 572 139 |
| Administrative fees | 23 582 | 7 933 | 19 113 | - | 2 000 | 20 915 | 820 | 120 | 1 470 |
| Advertising | 4 219 | 3 768 | 6 212 | 6 060 | 6 060 | 5 757 | 6 667 | 6 835 | 6 157 |
| Assets less than the capitalisation threshold | 93 999 | 139 033 | 374 | 14 777 | 14 777 | 63 574 | 12 569 | 8 431 | - |
| Audit cost: External | 11 343 | 8 522 | 10 373 | 8 883 | 8 883 | 8 469 | 9 244 | 9 423 | 9 894 |
| Bursaries: Employees | 15 591 | 20 298 | 59 238 | 11 209 | 11 209 | 36 227 | 102 010 | 117 010 | 132 258 |
| Catering: Departmental activities | 48 036 | 40 837 | 50 908 | 44 379 | 44 379 | 41 189 | 42 462 | 41 507 | 42 311 |
| Communication (G&S) | 38 322 | 39 767 | 36 201 | 2 271 | 2 271 | 26 059 | 5 378 | 7 683 | 11 043 |
| Computer services | 35 624 | 40 374 | 34 071 | 68 485 | 62 134 | 29 756 | 67 890 | 84 738 | 72 842 |
| Cons & prof serv: Business and advisory services | 71 031 | 73 878 | 147 897 | 38 552 | 38 552 | 72 427 | 87 593 | 99 355 | 103 985 |
| Cons & prof serv: Infras and planning | - | - | - | 7 256 | 7 256 | - | 7 619 | 10 772 | - |
| Cons & prof serv: Laboratory services | 2 731 | - | - | 2 305 | 2 305 | 410 | 424 | 446 | 2 567 |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 5 814 | 4 283 | 15 529 | 3 308 | 3 308 | 7 097 | 3 424 | 3 509 | 3 685 |
| Contractors | 48 738 | 35 498 | 7 083 | 2 170 | 2 170 | 8 841 | 3 278 | 120 | 120 |
| Agency and support / outsourced services | 1 155 542 | 1 100 553 | 1 280 138 | 1 235 401 | 1 322 167 | 1 460 534 | 1 157 256 | 1 218 189 | 1 286 675 |
| Entertainment | 49 | 13 | 6 | 1 004 | 1 004 | 143 | 1 029 | 1 054 | 1 106 |
| Fleet services (incl. govt motor transport) | 6 295 | 34 910 | 35 268 | 2 886 | 2 886 | 41 069 | 42 987 | 47 060 | 43 064 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 543 | - | - | 283 | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 806 | 12 | 62 | 453 | 453 | 16 | 528 | 523 | 549 |
| Inventory: Fuel, oil and gas | 2 223 | 1 529 | 172 | 262 | 262 | 600 | 271 | 277 | 292 |
| Inventory: Learner and teacher support material | 600 867 | 485 211 | 489 762 | 717 967 | 758 004 | 481 279 | 652 542 | 558 323 | 520 192 |
| Inventory: Materials and supplies | 789 | 704 | 783 | 18 256 | 18 256 | 606 | 18 368 | 18 840 | 19 782 |
| Inventory: Medical supplies | 2 467 | 736 | - | 6 346 | 28 346 | 877 | 8 529 | 8 731 | 7 069 |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | 47 456 | - | 286 | 28 341 | 185 035 | 189 659 | 196 948 |
| Consumable supplies | 21 743 | 20 130 | 8 575 | 56 967 | 57 967 | 37 044 | 80 978 | 80 504 | 82 553 |
| Consumable: Stationery, printing and office supplies | 133 456 | 129 278 | 98 823 | 121 939 | 123 939 | 98 636 | 92 079 | 56 325 | 44 489 |
| Operating leases | 97 589 | 60 356 | 15 974 | 65 968 | 65 968 | 52 808 | 60 766 | 62 202 | 61 133 |
| Property payments | 260 231 | 261 080 | 403 582 | 149 412 | 179 412 | 298 106 | 230 214 | 301 022 | 288 181 |
| Transport provided: Departmental activity | 16 032 | 13 349 | 13 293 | 33 004 | 33 004 | 34 467 | 31 366 | 28 862 | 30 385 |
| Travel and subsistence | 329 828 | 256 350 | 289 269 | 209 965 | 207 965 | 267 257 | 269 529 | 204 522 | 194 692 |
| Training and development | 29 992 | 58 035 | 36 891 | 153 669 | 221 669 | 114 252 | 138 946 | 220 724 | 237 819 |
| Operating payments | 39 371 | 14 525 | 32 279 | 35 796 | 35 796 | 55 044 | 151 940 | 141 642 | 154 282 |
| Venues and facilities | 38 292 | 8 024 | 19 414 | 12 011 | 12 011 | 14 095 | 10 990 | 18 501 | 16 596 |
| Rental and hiring | 57 | 6 151 | 15 221 | - | - | 805 | - | - | - |
| Interest and rent on land | 470 | 260 | 5 737 | - | - | 1 683 | - | - | - |
| Interest | 470 | 260 | 5 737 | - | - | 1 683 | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 1 347 411 | 1 553 435 | 1 666 384 | 1 831 551 | 1 793 404 | 1 827 833 | 1 899 212 | 1 837 775 | 1 928 253 |
| Provinces and municipalities | 1 048 | 1 573 | 740 | 1 100 | 2 100 | 2 061 | 1 100 | 1 158 | 1 216 |
| Provinces | 1 048 | 1 573 | 740 | 1 100 | 2 100 | 2 061 | 1 100 | 1 158 | 1 216 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 1 048 | 1 573 | 740 | 1 100 | 2 100 | 2 061 | 1 100 | 1 158 | 1 216 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 18 944 | 19 891 | 22 358 | 22 030 | 22 030 | 22 030 | 78 139 | 83 257 | 88 762 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 18 944 | 19 891 | 22 358 | 22 030 | 22 030 | 22 030 | 78 139 | 83 257 | 88 762 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 1 200 442 | 1 438 345 | 1 533 936 | 1 747 676 | 1 708 529 | 1 674 383 | 1 744 904 | 1 674 312 | 1 755 272 |
| Households | 126 977 | 93 626 | 109 350 | 60 745 | 60 745 | 129 359 | 75 069 | 79 048 | 83 003 |
| Social benefits | 126 977 | 93 626 | 109 350 | 60 745 | 60 745 | 129 359 | 75 069 | 79 048 | 83 003 |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 2 120 040 | 2 580 157 | 2 379 114 | 2 605 887 | 1 754 440 | 1 756 741 | 2 356 660 | 2 115 621 | 1 976 011 |
| Buildings and other fixed structures | 2 096 447 | 2 463 371 | 2 359 254 | 2 572 937 | 1 712 937 | 1 725 705 | 2 289 652 | 2 020 930 | 1 922 255 |
| Buildings | 2 096 447 | 2 463 371 | 2 359 254 | 2 557 937 | 1 697 937 | 1 725 705 | 2 289 652 | 2 020 930 | 1 922 255 |
| Other fixed structures | - | - | - | 15 000 | 15 000 | - | - | - | - |
| Machinery and equipment | 23 581 | 116 648 | 19 860 | 32 950 | 41 503 | 31 036 | 63 008 | 90 691 | 49 756 |
| Transport equipment | - | 8 332 | 16 312 | - | - | - | 15 000 | 25 000 | - |
| Other machinery and equipment | 23 581 | 108 316 | 3 548 | 32 950 | 41 503 | 31 036 | 48 008 | 65 691 | 49 756 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 12 | 138 | - | - | - | - | 4 000 | 4 000 | 4 000 |
| Payments for financial assets | - | - | - | - | - | - | 31 892 | 31 892 | 31 893 |
| Total | 32 809 703 | 34 556 731 | 37 156 042 | 38 918 092 | 39 066 103 | 39 092 741 | 42 142 355 | 44 210 091 | 46 488 066 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (31 892) | (31 892) | (31 893) |
| Baseline available for spending after 1st charge | 32 809 703 | 34 556 731 | 37 156 042 | 38 918 092 | 39 066 103 | 39 092 741 | 42 110 463 | 44 178 199 | 46 456 173 |

Table 5.C : Payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 1 311 895 | 1 211 068 | 1 429 353 | 1 278 408 | 1 399 057 | 1 407 505 | 1 529 795 | 1 664 653 | 1 701 426 |
| Compensation of employees | 856 198 | 887 859 | 1 008 201 | 994 410 | 1 094 410 | 1 019 163 | 1 167 994 | 1 252 201 | 1 335 728 |
| Salaries and wages | 684 958 | 767 580 | 806 561 | 814 115 | 864 115 | 1 019 163 | 943 708 | 1 009 945 | 1 081 360 |
| Social contributions | 171 240 | 120 279 | 201 640 | 180 295 | 230 295 | - | 224 286 | 242 256 | 254 368 |
| Goods and services | 455 325 | 322 953 | 415 446 | 283 998 | 304 647 | 386 700 | 361 801 | 412 452 | 365 698 |
| Administrative fees | 9 123 | 1 348 | 1 136 | - | - | 568 | - | - | - |
| Advertising | 3 671 | 3 768 | 6 152 | 4 321 | 4 321 | 5 168 | 4 876 | 4 948 | 5 194 |
| Assets less than the capitalisation threshold | 1 121 | 225 | 302 | - | - | 50 | 4 600 | 3 600 | - |
| Audit cost: External | 10 994 | 8 353 | 10 190 | 8 883 | 8 883 | 8 310 | 9 244 | 9 423 | 9 894 |
| Bursaries: Employees | 11 178 | 17 221 | 20 478 | 11 209 | 11 209 | 29 285 | 22 000 | 22 000 | 22 000 |
| Catering: Departmental activities | 1 346 | 847 | 1 706 | 14 549 | 14 549 | 4 095 | 9 386 | 3 700 | 3 851 |
| Communication (G&S) | 36 315 | 37 572 | 34 336 | 2 271 | 2 271 | 24 683 | 2 378 | 7 183 | 7 543 |
| Computer services | 22 236 | 30 745 | 24 796 | 42 439 | 36 088 | 26 208 | 50 937 | 76 842 | 65 526 |
| Cons & prof serv: Business and advisory services | 187 | 681 | 118 | 21 737 | 21 737 | 7 654 | 12 498 | 13 488 | 16 754 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | 410 | 410 | 410 | 424 | 446 | 469 |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 5 814 | 4 283 | 10 227 | 3 308 | 3 308 | 6 444 | 3 424 | 3 509 | 3 685 |
| Contractors | 48 240 | 15 741 | 5 554 | - | - | 6 524 | - | - | - |
| Agency and support / outsourced services | 1 834 | 3 982 | 411 | 8 525 | 8 525 | 1 937 | 5 491 | 4 973 | 5 221 |
| Entertainment | 49 | 13 | 6 | 1 004 | 1 004 | 46 | 1 029 | 1 054 | 1 106 |
| Fleet services (incl. govt motor transport) | 6 219 | 34 795 | 35 261 | 746 | 746 | 40 549 | 40 772 | 44 728 | 40 615 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 521 | - | - | 182 | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 110 | 12 | 7 | 453 | 453 | 16 | 528 | 523 | 549 |
| Inventory: Fuel, oil and gas | 111 | 31 | 49 | 135 | 135 | 27 | 140 | 139 | 147 |
| Inventory: Learner and teacher support material | 577 | - | 80 | - | - | 768 | - | - | - |
| Inventory: Materials and supplies | 132 | 435 | - | - | - | - | - | - | - |
| Inventory: Medical supplies | 26 | 8 | - | 4 154 | 4 154 | - | 4 299 | 4 343 | 4 560 |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | 1 159 | - | - | 2 | - | - | - |
| Consumable supplies | 2 517 | 2 590 | 3 095 | 19 362 | 19 362 | 2 864 | 16 998 | 16 847 | 17 689 |
| Consumable: Stationery, printing and office supplies | 21 587 | 22 744 | 16 049 | 13 719 | 13 719 | 10 959 | 16 579 | 20 523 | 17 651 |
| Operating leases | 31 626 | 35 612 | 9 909 | 42 754 | 42 754 | 34 302 | 35 041 | 37 182 | 34 962 |
| Property payments | 65 464 | - | 72 523 | - | 29 000 | 57 652 | - | 31 873 | 8 181 |
| Transport provided: Departmental activity | 124 | 579 | 957 | 5 004 | 5 004 | 697 | 1 648 | 162 | 170 |
| Travel and subsistence | 144 974 | 95 893 | 107 390 | 64 987 | 62 987 | 96 409 | 101 167 | 91 167 | 82 283 |
| Training and development | 2 881 | 191 | 33 133 | 5 000 | 5 000 | 11 857 | 9 587 | 10 299 | 13 974 |
| Operating payments | 9 257 | 3 692 | 18 616 | 9 028 | 9 028 | 8 214 | 8 755 | 3 500 | 3 674 |
| Venues and facilities | 17 612 | 1 485 | 1 026 | - | - | 785 | - | - | - |
| Rental and hiring | - | 107 | 259 | - | - | 35 | - | - | - |
| Interest and rent on land | 372 | 256 | 5 706 | - | - | 1 642 | - | - | - |
| Interest | 372 | 256 | 5 706 | - | - | 1 642 | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 12 272 | 16 057 | 11 734 | 29 646 | 30 646 | 33 171 | 30 931 | 32 570 | 34 201 |
| Provinces and municipalities | 1 048 | 1 573 | 740 | 1 100 | 2 100 | 2 061 | 1 100 | 1 158 | 1 216 |
| Provinces | 1 048 | 1 573 | 740 | 1 100 | 2 100 | 2 061 | 1 100 | 1 158 | 1 216 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 1 048 | 1 573 | 740 | 1 100 | 2 100 | 2 061 | 1 100 | 1 158 | 1 216 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 12 | - | - | - | - | - | - | - | - |
| Households | 11 212 | 14 484 | 10 994 | 28 546 | 28 546 | 31 110 | 29 831 | 31 412 | 32 985 |
| Social benefits | 11 212 | 14 484 | 10 994 | 28 546 | 28 546 | 31 110 | 29 831 | 31 412 | 32 985 |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 894 | 9 755 | 3 896 | - | 1 000 | 1 369 | 26 350 | 50 591 | 8 820 |
| Buildings and other fixed structures | - | - | 151 | - | - | - | - | - | - |
| Buildings | - | - | 151 | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 882 | 9 617 | 3 745 | - | 1 000 | 1 369 | 26 350 | 50 591 | 8 820 |
| Transport equipment | - | 158 | 450 | - | - | - | 15 000 | 25 000 | - |
| Other machinery and equipment | 882 | 9 459 | 3 295 | - | 1 000 | 1 369 | 11 350 | 25 591 | 8 820 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 12 | 138 | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | 31 892 | 31 892 | 31 893 |
| Total | 1 325 061 | 1 236 880 | 1 444 983 | 1 308 054 | 1 430 703 | 1 442 045 | 1 618 968 | 1 779 706 | 1 776 340 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (31 892) | (31 892) | (31 893) |
| Baseline available for spending after 1st charge | 1 325 061 | 1 236 880 | 1 444 983 | 1 308 054 | 1 430 703 | 1 442 045 | 1 587 076 | 1 747 814 | 1 744 447 |

Table 5.D : Payments and estimates by economic classification: Public Ordinary School Education

| | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term Estimates | | |
|--|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|-------------------|-------------------|
| R thousand | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 25 853 680 | 26 825 934 | 29 233 287 | 31 076 207 | 31 505 804 | 31 500 970 | 33 508 969 | 35 555 923 | 37 707 853 |
| Compensation of employees | 23 693 804 | 24 930 705 | 27 025 246 | 28 799 904 | 29 144 159 | 29 153 393 | 31 026 142 | 33 062 431 | 35 114 772 |
| Salaries and wages | 18 925 400 | 21 325 223 | 21 620 465 | 22 410 578 | 22 676 900 | 29 153 393 | 24 385 775 | 26 027 807 | 27 726 416 |
| Social contributions | 4 768 404 | 3 605 482 | 5 404 781 | 6 389 326 | 6 467 259 | - | 6 640 367 | 7 034 624 | 7 388 356 |
| Goods and services | 2 159 781 | 1 895 227 | 2 208 011 | 2 276 303 | 2 361 645 | 2 347 536 | 2 482 827 | 2 493 492 | 2 593 081 |
| Administrative fees | 11 759 | 2 561 | 15 201 | - | - | 19 404 | 720 | - | 850 |
| Advertising | 50 | - | 60 | - | - | - | - | - | - |
| Assets less than the capitalisation threshold | 90 671 | 138 702 | - | 14 777 | 14 777 | 63 498 | 7 969 | 4 831 | - |
| Audit cost: External | 348 | 160 | 175 | - | - | 155 | - | - | - |
| Bursaries: Employees | 4 413 | 3 077 | 37 940 | - | - | 6 942 | 80 000 | 95 000 | 110 248 |
| Catering: Departmental activities | 6 807 | 9 353 | 11 309 | 5 655 | 3 155 | 10 004 | 3 333 | 2 131 | 3 005 |
| Communication (G&S) | 333 | 230 | 356 | - | - | 334 | 2 500 | - | 3 000 |
| Computer services | 11 844 | 6 434 | 2 021 | 1 046 | 1 046 | 1 046 | - | 928 | - |
| Cons & prof serv: Business and advisory services | 70 844 | 73 095 | 147 779 | 14 358 | 14 358 | 64 773 | 72 552 | 83 189 | 84 420 |
| Cons & prof serv: Infras and planning | - | - | - | 7 256 | 7 256 | - | - | - | - |
| Cons & prof serv: Laboratory services | 2 731 | - | - | 1 895 | 1 895 | - | - | - | 2 098 |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | 653 | - | - | - |
| Contractors | 297 | 13 384 | 1 229 | 2 170 | 2 170 | 2 227 | 3 178 | - | - |
| Agency and support / outsourced services | 1 146 238 | 1 084 699 | 1 279 701 | 1 220 876 | 1 306 642 | 1 453 030 | 1 145 745 | 1 206 873 | 1 274 795 |
| Entertainment | - | - | - | - | - | 42 | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | 1 | 507 | 507 | 506 | 525 | 553 | 580 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 4 | - | - | 52 | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 693 | - | 55 | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 1 772 | 340 | 10 | 127 | 127 | 125 | 131 | 138 | 145 |
| Inventory: Learner and teacher support material | 595 039 | 445 147 | 489 110 | 692 967 | 718 588 | 472 658 | 520 237 | 471 376 | 464 570 |
| Inventory: Materials and supplies | 495 | 121 | 722 | 18 256 | 18 256 | 306 | 18 368 | 18 840 | 19 782 |
| Inventory: Medical supplies | 12 | 10 | - | 2 192 | 2 192 | 877 | 4 230 | 4 388 | 2 509 |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | 46 287 | - | - | 27 123 | 185 035 | 189 659 | 196 948 |
| Consumable supplies | 17 338 | 15 840 | 3 581 | 25 905 | 25 905 | 11 132 | 52 730 | 51 808 | 52 424 |
| Consumable: Stationery, printing and office supplies | 4 335 | (11 893) | 5 165 | 6 220 | 5 220 | 7 001 | 465 | 315 | 450 |
| Operating leases | 17 742 | 6 789 | 1 818 | 3 214 | 3 214 | 7 175 | 3 326 | 3 020 | 3 171 |
| Property payments | 55 029 | 912 | 100 702 | - | - | 33 063 | 23 450 | 27 623 | 24 000 |
| Transport provided: Departmental activity | 13 096 | 10 187 | 8 032 | 2 000 | - | 6 957 | - | - | - |
| Travel and subsistence | 57 124 | 35 198 | 41 185 | 99 978 | 86 758 | 64 009 | 78 206 | 40 419 | 45 779 |
| Training and development | 22 731 | 51 534 | 3 536 | 139 669 | 138 169 | 81 825 | 166 745 | 179 178 | 190 777 |
| Operating payments | 21 213 | 1 282 | 4 524 | 9 413 | 8 588 | 9 644 | 111 682 | 111 613 | 111 820 |
| Venues and facilities | 6 827 | 2 266 | 1 691 | 7 822 | 2 822 | 2 307 | 1 700 | 1 610 | 1 710 |
| Rental and hiring | - | 5 799 | 5 817 | - | - | 668 | - | - | - |
| Interest and rent on land | 95 | 2 | 30 | - | - | 41 | - | - | - |
| Interest | 95 | 2 | 30 | - | - | 41 | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 1 116 788 | 1 348 773 | 1 442 485 | 1 529 383 | 1 497 436 | 1 528 097 | 1 520 917 | 1 440 542 | 1 507 180 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 1 006 057 | 1 274 875 | 1 350 209 | 1 498 691 | 1 466 744 | 1 434 929 | 1 477 239 | 1 394 549 | 1 458 887 |
| Households | 110 731 | 73 898 | 92 276 | 30 692 | 30 692 | 93 168 | 43 678 | 45 993 | 48 293 |
| Social benefits | 110 731 | 73 898 | 92 276 | 30 692 | 30 692 | 93 168 | 43 678 | 45 993 | 48 293 |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 19 339 | 121 521 | 6 737 | 32 950 | 40 503 | 27 388 | 40 458 | 44 100 | 44 936 |
| Buildings and other fixed structures | - | 21 201 | 6 737 | - | - | 577 | 800 | - | - |
| Buildings | - | 21 201 | 6 737 | - | - | 577 | 800 | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 19 339 | 100 320 | - | 32 950 | 40 503 | 26 811 | 35 658 | 40 100 | 40 936 |
| Transport equipment | - | 1 532 | - | - | - | - | - | - | - |
| Other machinery and equipment | 19 339 | 98 788 | - | 32 950 | 40 503 | 26 811 | 35 658 | 40 100 | 40 936 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | 4 000 | 4 000 | 4 000 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 26 989 807 | 28 296 228 | 30 682 509 | 32 638 540 | 33 043 743 | 33 056 455 | 35 070 344 | 37 040 565 | 39 259 969 |

Table 5.E : Payments and estimates by economic classification: Independent School Subsidies

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | - | 5 302 | - | - | - | - | - | - |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Salaries and wages | - | - | - | - | - | - | - | - | - |
| Social contributions | - | - | - | - | - | - | - | - | - |
| Goods and services | - | - | 5 302 | - | - | - | - | - | - |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | - | - | - | - | - | - | - | - | - |
| Assets less than the capitalisation threshold | - | - | - | - | - | - | - | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | - | - | - | - | - | - | - | - |
| Communication (G&S) | - | - | - | - | - | - | - | - | - |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | 5 302 | - | - | - | - | - | - |
| Contractors | - | - | - | - | - | - | - | - | - |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medcas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | - | - | - | - | - | - | - |
| Consumable: Stationery, printing and office supplies | - | - | - | - | - | - | - | - | - |
| Operating leases | - | - | - | - | - | - | - | - | - |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | - | - | - | - | - | - | - | - | - |
| Training and development | - | - | - | - | - | - | - | - | - |
| Operating payments | - | - | - | - | - | - | - | - | - |
| Venues and facilities | - | - | - | - | - | - | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 63 114 | 65 573 | 72 399 | 74 395 | 74 395 | 74 395 | 77 817 | 81 941 | 86 038 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 63 114 | 65 573 | 72 399 | 74 395 | 74 395 | 74 395 | 77 817 | 81 941 | 86 038 |
| Households | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 63 114 | 65 573 | 77 701 | 74 395 | 74 395 | 74 395 | 77 817 | 81 941 | 86 038 |

Table 5.F : Payments and estimates by economic classification: Public Special School Education

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 621 980 | 627 907 | 715 116 | 699 414 | 749 414 | 754 862 | 800 591 | 850 188 | 904 652 |
| Compensation of employees | 612 671 | 623 867 | 714 642 | 695 414 | 745 414 | 752 242 | 794 109 | 843 278 | 896 721 |
| Salaries and wages | 490 137 | 525 731 | 571 714 | 579 336 | 619 336 | 752 242 | 673 230 | 715 992 | 763 071 |
| Social contributions | 122 534 | 98 136 | 142 928 | 116 078 | 126 078 | - | 120 879 | 127 286 | 133 650 |
| Goods and services | 9 309 | 4 040 | 474 | 4 000 | 4 000 | 2 620 | 6 482 | 6 910 | 7 931 |
| Administrative fees | 15 | - | - | - | - | 4 | - | - | - |
| Advertising | - | - | - | - | - | - | - | - | - |
| Assets less than the capitalisation threshold | 1 996 | 35 | - | - | - | - | - | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | 30 | - | - | - | 46 | - | - | - |
| Communication (G&S) | - | 191 | 64 | - | - | - | - | - | - |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 2 | 3 635 | - | - | - | - | - | - | - |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | 76 | 91 | - | - | - | 14 | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 72 | - | - | - | - | 492 | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | 1 | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | 1 216 | - | - | - |
| Consumable supplies | 39 | 16 | 9 | - | - | 7 | - | - | - |
| Consumable: Stationery, printing and office supplies | 284 | - | - | - | - | - | - | - | - |
| Operating leases | - | - | - | - | - | - | - | - | - |
| Property payments | 6 138 | - | 334 | - | - | 170 | - | - | - |
| Transport provided: Departmental activity | 145 | - | 29 | - | - | 208 | - | - | - |
| Travel and subsistence | 330 | 6 | 38 | - | - | 146 | - | - | - |
| Training and development | 19 | - | - | 4 000 | 4 000 | - | 6 482 | 6 910 | 7 931 |
| Operating payments | 186 | 8 | - | - | - | 2 | - | - | - |
| Venues and facilities | 6 | 28 | - | - | - | 315 | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 100 603 | 93 002 | 114 453 | 144 598 | 126 598 | 128 789 | 130 608 | 138 400 | 145 544 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 98 633 | 90 706 | 111 316 | 143 091 | 125 091 | 126 605 | 129 048 | 136 757 | 143 819 |
| Households | 1 970 | 2 296 | 3 137 | 1 507 | 1 507 | 2 184 | 1 560 | 1 643 | 1 725 |
| Social benefits | 1 970 | 2 296 | 3 137 | 1 507 | 1 507 | 2 184 | 1 560 | 1 643 | 1 725 |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 3 024 | 6 642 | 15 862 | - | - | 2 025 | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 3 024 | 6 642 | 15 862 | - | - | 2 025 | - | - | - |
| Transport equipment | - | 6 642 | 15 862 | - | - | - | - | - | - |
| Other machinery and equipment | 3 024 | - | - | - | - | 2 025 | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 725 607 | 727 551 | 845 431 | 844 012 | 876 012 | 885 676 | 931 199 | 988 588 | 1 050 196 |

Table 5.G : Payments and estimates by economic classification: Early Childhood Development

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 329 545 | 462 709 | 437 210 | 619 969 | 619 969 | 491 014 | 645 420 | 702 252 | 730 337 |
| Compensation of employees | 315 368 | 405 284 | 429 027 | 566 989 | 499 989 | 466 183 | 533 884 | 583 715 | 619 370 |
| Salaries and wages | 252 294 | 394 084 | 343 221 | 469 334 | 402 334 | 466 183 | 389 427 | 415 737 | 491 145 |
| Social contributions | 63 074 | 11 200 | 85 806 | 97 655 | 97 655 | - | 144 457 | 167 978 | 128 225 |
| Goods and services | 14 177 | 57 425 | 8 183 | 52 980 | 119 980 | 24 831 | 111 536 | 118 537 | 110 967 |
| Administrative fees | 609 | 1 359 | 1 054 | - | - | - | - | - | - |
| Advertising | - | - | - | 890 | 890 | - | 921 | 970 | - |
| Assets less than the capitalisation threshold | - | - | - | - | - | - | - | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | 820 | - | - | - | - | - | - |
| Catering: Departmental activities | 32 | 80 | 2 | - | - | - | 5 050 | 1 050 | 1 050 |
| Communication (G&S) | - | - | - | - | - | - | - | - | - |
| Computer services | - | - | - | 5 000 | 5 000 | - | - | - | - |
| Cons & prof serv: Business and advisory services | - | - | - | 2 457 | 2 457 | - | 2 543 | 2 678 | 2 811 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | - | 2 500 | - | - | - | - | - | - | - |
| Agency and support / outsourced services | - | - | - | 1 000 | 1 000 | - | 1 000 | 1 053 | 1 106 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | 1 633 | 1 633 | - | 1 690 | 1 779 | 1 869 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 1 | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | 40 064 | 215 | 25 000 | 25 000 | 5 000 | 119 562 | 71 696 | 55 172 |
| Inventory: Materials and supplies | 2 | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medias inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 197 | 552 | - | 1 700 | 1 700 | 400 | 1 200 | 1 264 | 1 328 |
| Consumable: Stationery, printing and office supplies | 172 | 1 380 | 1 495 | 2 000 | 2 000 | 697 | 4 191 | 2 000 | 2 100 |
| Operating leases | 41 | 118 | 155 | - | - | 8 | - | - | - |
| Property payments | 3 | - | - | - | - | 21 | - | - | - |
| Transport provided: Departmental activity | 62 | 116 | - | 1 000 | 1 000 | - | 1 500 | 1 100 | 1 155 |
| Travel and subsistence | 8 422 | 4 843 | 4 330 | - | - | 621 | 8 688 | 7 142 | 7 535 |
| Training and development | 3 909 | 6 255 | - | 5 000 | 72 000 | 18 081 | (49 124) | 18 427 | 19 445 |
| Operating payments | 467 | 153 | 48 | 7 300 | 7 300 | 3 | 14 315 | 9 378 | 17 396 |
| Venues and facilities | 260 | 5 | 64 | - | - | - | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 16 080 | 158 | 125 | 31 499 | 31 499 | 31 590 | 50 000 | 50 265 | 50 528 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 15 914 | 13 | - | 31 499 | 31 499 | 31 499 | 50 000 | 50 265 | 50 528 |
| Households | 166 | 145 | 125 | - | - | 91 | - | - | - |
| Social benefits | 166 | 145 | 125 | - | - | 91 | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 345 625 | 462 867 | 437 335 | 651 468 | 651 468 | 522 604 | 695 420 | 752 517 | 780 865 |

Table 5.H : Payments and estimates by economic classification: Infrastructure Development

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 100 346 | 253 554 | 194 530 | 149 412 | 149 412 | 137 221 | 239 383 | 257 898 | 263 276 |
| Compensation of employees | - | - | - | - | - | - | 25 000 | 26 600 | 28 276 |
| Salaries and wages | - | - | - | - | - | - | 25 000 | 26 600 | 28 276 |
| Social contributions | - | - | - | - | - | - | - | - | - |
| Goods and services | 100 346 | 253 554 | 194 530 | 149 412 | 149 412 | 137 221 | 214 383 | 231 298 | 235 000 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | - | - | - | - | - | - | - | - | - |
| Assets less than the capitalisation threshold | - | - | - | - | - | - | - | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | - | - | - | - | - | - | - | - |
| Communication (G&S) | - | - | - | - | - | - | - | - | - |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | 7 619 | 10 772 | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | - | - | - | - | - | - | - | - | - |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | - | - | - | - | - | - | - |
| Consumable: Stationery, printing and office supplies | - | - | - | - | - | - | - | - | - |
| Operating leases | - | - | - | - | - | - | - | - | - |
| Property payments | 100 346 | 253 554 | 185 528 | 149 412 | 149 412 | 137 221 | 206 764 | 220 526 | 235 000 |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | - | - | - | - | - | - | - | - | - |
| Training and development | - | - | - | - | - | - | - | - | - |
| Operating payments | - | - | - | - | - | - | - | - | - |
| Venues and facilities | - | - | - | - | - | - | - | - | - |
| Rental and hiring | - | - | 9 002 | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 2 096 396 | 2 442 170 | 2 352 366 | 2 572 937 | 1 712 937 | 1 725 128 | 2 289 852 | 2 020 930 | 1 922 255 |
| Buildings and other fixed structures | 2 096 396 | 2 442 170 | 2 352 366 | 2 572 937 | 1 712 937 | 1 725 128 | 2 288 852 | 2 020 930 | 1 922 255 |
| Buildings | 2 096 396 | 2 442 170 | 2 352 366 | 2 557 937 | 1 697 937 | 1 725 128 | 2 288 852 | 2 020 930 | 1 922 255 |
| Other fixed structures | - | - | - | 15 000 | 15 000 | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | 1 000 | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - | - | 1 000 | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 2 196 742 | 2 695 724 | 2 546 896 | 2 722 349 | 1 862 349 | 1 862 349 | 2 529 235 | 2 278 828 | 2 185 531 |

Table 5.1 : Payments and estimates by economic classification: Examination and Education Related Services

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 1 124 806 | 1 041 967 | 1 095 746 | 657 244 | 1 094 603 | 1 216 595 | 1 130 433 | 1 193 889 | 1 244 365 |
| Compensation of employees | 729 082 | 710 027 | 753 181 | 392 976 | 759 588 | 808 520 | 824 731 | 909 669 | 984 903 |
| Salaries and wages | 612 909 | 638 599 | 602 607 | 341 740 | 644 285 | 808 520 | 626 947 | 758 476 | 826 592 |
| Social contributions | 116 173 | 71 428 | 150 574 | 51 236 | 115 303 | - | 197 784 | 151 193 | 158 311 |
| Goods and services | 395 721 | 331 938 | 342 564 | 264 268 | 335 015 | 408 075 | 305 702 | 284 220 | 259 462 |
| Administrative fees | 2 076 | 2 665 | 1 722 | - | 2 000 | 939 | 100 | 120 | 620 |
| Advertising | 498 | - | - | 849 | 849 | 589 | 870 | 917 | 963 |
| Assets less than the capitalisation threshold | 211 | 71 | 72 | - | - | 26 | - | - | - |
| Audit cost: External | 1 | 9 | 8 | - | - | 4 | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | 10 | 10 | 10 |
| Catering: Departmental activities | 39 851 | 30 527 | 37 891 | 24 175 | 26 675 | 27 044 | 24 693 | 34 626 | 34 405 |
| Communication (G&S) | 1 674 | 1 774 | 1 445 | - | - | 1 042 | 500 | 500 | 500 |
| Computer services | 1 544 | 3 195 | 7 254 | 20 000 | 20 000 | 2 502 | 16 953 | 6 968 | 7 316 |
| Cons & prof serv: Business and advisory services | - | 102 | - | - | - | - | - | - | - |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 199 | 238 | 300 | - | - | 90 | 100 | 120 | 120 |
| Agency and support / outsourced services | 7 470 | 11 872 | 26 | 5 000 | 6 000 | 5 567 | 5 020 | 5 290 | 5 553 |
| Entertainment | - | - | - | - | - | 55 | - | - | - |
| Fleet services (incl. govt motor transport) | - | 24 | 6 | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 18 | - | - | 49 | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 2 | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 340 | 1 158 | 113 | - | - | 448 | - | - | - |
| Inventory: Learner and teacher support material | 5 179 | - | 357 | - | 14 416 | 2 361 | 12 743 | 15 251 | 450 |
| Inventory: Materials and supplies | 160 | 148 | 61 | - | - | 300 | - | - | - |
| Inventory: Medical supplies | 2 428 | 718 | - | - | 22 000 | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medias inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | 10 | - | 286 | - | - | - | - |
| Consumable supplies | 1 652 | 1 132 | 1 890 | 10 000 | 11 000 | 22 641 | 10 050 | 10 585 | 11 112 |
| Consumable: Stationery, printing and office supplies | 107 078 | 117 047 | 76 114 | 100 000 | 103 000 | 79 979 | 70 844 | 33 487 | 24 288 |
| Operating leases | 48 180 | 17 837 | 4 092 | 20 000 | 20 000 | 11 323 | 22 399 | 22 000 | 23 000 |
| Property payments | 33 251 | 6 614 | 44 495 | - | 1 000 | 69 979 | - | 21 000 | 21 000 |
| Transport provided: Departmental activity | 2 605 | 2 467 | 4 275 | 25 000 | 27 000 | 26 605 | 28 218 | 27 600 | 29 060 |
| Travel and subsistence | 118 978 | 120 410 | 136 326 | 45 000 | 58 220 | 106 072 | 81 468 | 65 794 | 59 095 |
| Training and development | 452 | 55 | 222 | - | 2 500 | 2 489 | 5 256 | 5 910 | 5 692 |
| Operating payments | 8 248 | 9 390 | 9 091 | 10 055 | 10 880 | 37 181 | 17 188 | 17 151 | 21 392 |
| Venues and facilities | 13 587 | 4 240 | 16 633 | 4 189 | 9 189 | 10 688 | 9 290 | 16 891 | 14 886 |
| Rental and hiring | 57 | 245 | 143 | - | - | 102 | - | - | - |
| Interest and rent on land | 3 | 2 | 1 | - | - | - | - | - | - |
| Interest | 3 | 2 | 1 | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 38 554 | 29 872 | 25 188 | 22 030 | 32 830 | 31 791 | 88 939 | 94 057 | 104 762 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 18 944 | 19 891 | 22 358 | 22 030 | 22 030 | 22 030 | 78 139 | 83 257 | 88 762 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 18 944 | 19 891 | 22 358 | 22 030 | 22 030 | 22 030 | 78 139 | 83 257 | 88 762 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 16 712 | 7 178 | 12 | - | 10 800 | 6 955 | 10 800 | 10 800 | 16 000 |
| Households | 2 898 | 2 803 | 2 818 | - | - | 2 806 | - | - | - |
| Social benefits | 2 898 | 2 803 | 2 818 | - | - | 2 806 | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 387 | 69 | 253 | - | - | 831 | - | - | - |
| Buildings and other fixed structures | 51 | - | - | - | - | - | - | - | - |
| Buildings | 51 | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 336 | 69 | 253 | - | - | 831 | - | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 336 | 69 | 253 | - | - | 831 | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 1 163 747 | 1 071 908 | 1 121 187 | 679 274 | 1 127 433 | 1 249 217 | 1 219 372 | 1 287 946 | 1 349 127 |

Table 5.J : Payments and estimates by economic classification: Conditional grants

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 1 264 712 | 1 259 484 | 1 467 042 | 1 479 293 | 1 525 102 | 1 755 756 | 1 390 085 | 1 442 270 | 1 509 764 |
| Compensation of employees | 5 | - | 311 | 52 074 | 50 941 | 49 788 | 43 723 | 26 375 | 47 889 |
| Salaries and wages | 5 | - | 311 | 52 074 | 50 941 | 49 788 | 43 723 | 26 375 | 47 674 |
| Social contributions | - | - | - | - | - | - | - | - | 215 |
| Goods and services | 1 264 707 | 1 259 484 | 1 466 731 | 1 427 219 | 1 474 161 | 1 705 968 | 1 346 362 | 1 415 895 | 1 461 875 |
| Administrative fees | 1 877 | 1 906 | 1 922 | - | 2 000 | 758 | 720 | - | 1 350 |
| Advertising | 466 | - | - | - | - | - | - | - | - |
| Assets less than the capitalisation threshold | 6 743 | 1 670 | - | 6 612 | 6 612 | 6 662 | 7 969 | 4 831 | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | 30 | 800 |
| Catering: Departmental activities | 975 | 1 939 | 1 215 | 3 120 | 3 120 | 1 464 | 3 100 | 2 500 | 900 |
| Communication (G&S) | - | - | - | - | - | - | 2 500 | - | 3 000 |
| Computer services | 4 063 | - | 2 021 | 1 046 | 1 046 | 1 046 | - | 928 | - |
| Cons & prof serv: Business and advisory services | - | 102 | - | - | - | - | - | - | - |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | 653 | - | - | - |
| Contractors | - | 107 | - | - | - | - | - | - | - |
| Agency and support / outsourced services | 1 137 580 | 1 080 401 | 1 282 418 | 1 220 836 | 1 237 602 | 1 453 494 | 1 142 705 | 1 203 672 | 1 271 434 |
| Entertainment | - | - | - | - | - | 55 | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 554 | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 1 766 | 338 | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 9 288 | 11 524 | 6 781 | 18 154 | 19 044 | 17 823 | 12 743 | 18 919 | 450 |
| Inventory: Materials and supplies | 31 | 5 | - | 527 | 527 | 300 | - | - | - |
| Inventory: Medical supplies | 2 429 | 716 | - | - | 22 000 | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | 20 774 | - | 286 | 2 837 | 900 | - | 1 600 |
| Consumable supplies | 5 723 | 2 055 | 111 | 15 405 | 16 405 | 418 | 37 617 | 39 500 | 39 500 |
| Consumable: Stationery, printing and office supplies | 324 | 27 696 | 744 | 6 220 | 8 220 | 7 222 | 2 465 | 2 285 | 700 |
| Operating leases | 9 014 | 57 | - | - | - | 25 | - | - | - |
| Property payments | 62 550 | 112 212 | 121 550 | 122 169 | 123 169 | 173 188 | - | 3 623 | - |
| Transport provided: Departmental activity | 1 341 | 4 212 | 1 753 | 2 000 | 2 000 | 3 916 | 2 000 | 2 000 | 2 190 |
| Travel and subsistence | 14 338 | 11 273 | 17 202 | 15 680 | 15 680 | 16 412 | 19 220 | 16 097 | 14 240 |
| Training and development | 1 718 | 1 076 | 3 756 | 4 017 | 5 017 | 6 126 | 1 586 | 3 575 | 6 450 |
| Operating payments | 3 | 23 | 3 002 | 3 611 | 3 611 | 4 650 | 106 137 | 111 325 | 115 151 |
| Venues and facilities | 3 869 | 2 004 | 3 407 | 7 822 | 7 822 | 8 817 | 6 700 | 6 610 | 4 110 |
| Rental and hiring | 55 | 168 | 75 | - | - | 102 | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 16 712 | 7 178 | 4 920 | 10 800 | 10 800 | 7 119 | 10 800 | 10 800 | 16 000 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 16 712 | 7 178 | 4 920 | 10 800 | 10 800 | 7 119 | 10 800 | 10 800 | 16 000 |
| Households | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 1 133 096 | 1 342 731 | 1 193 956 | 1 296 562 | 1 306 115 | 1 290 241 | 1 994 141 | 1 875 373 | 1 967 772 |
| Buildings and other fixed structures | 1 120 643 | 1 332 901 | 1 193 956 | 1 263 612 | 1 265 612 | 1 263 612 | 1 953 683 | 1 831 273 | 1 922 836 |
| Buildings | 1 120 643 | 1 332 901 | 1 193 956 | 1 263 612 | 1 265 612 | 1 263 612 | 1 953 683 | 1 831 273 | 1 922 836 |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 12 453 | 9 830 | - | 32 950 | 40 503 | 26 629 | 36 458 | 40 100 | 40 936 |
| Transport equipment | - | 1 532 | - | - | - | - | - | - | - |
| Other machinery and equipment | 12 453 | 8 298 | - | 32 950 | 40 503 | 26 629 | 36 458 | 40 100 | 40 936 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | 4 000 | 4 000 | 4 000 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 2 414 520 | 2 609 393 | 2 665 918 | 2 786 655 | 2 842 017 | 3 053 116 | 3 395 026 | 3 328 443 | 3 493 536 |

Table 5.K : Payments and estimates by economic classification: National School Nutrition Programme (Programme 2)

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation 2014/15 | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|--------------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 1 144 267 | 1 083 957 | 1 283 939 | 1 233 884 | 1 249 650 | 1 462 576 | 1 287 034 | 1 355 247 | 1 423 009 |
| Compensation of employees | 5 | - | - | 3 343 | 3 343 | 1 113 | - | - | - |
| Salaries and wages | 5 | - | - | 3 343 | 3 343 | 1 113 | - | - | - |
| Goods and services | 1 144 262 | 1 083 957 | 1 283 939 | 1 230 541 | 1 246 307 | 1 461 463 | 1 287 034 | 1 355 247 | 1 423 009 |
| Administrative fees | 17 | 25 | 845 | - | - | - | - | - | - |
| Advertising | 49 | - | - | - | - | - | - | - | - |
| Assets less than the capitalisation threshold | 50 | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 46 | - | 273 | 590 | 590 | 28 | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | 653 | - | - | - |
| Agency and support / outsourced services | 1 137 547 | 1 080 401 | 1 282 392 | 1 220 836 | 1 236 602 | 1 462 969 | 1 142 705 | 1 203 672 | 1 271 434 |
| Inventory: Food and food supplies | 554 | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 1 766 | 338 | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | 527 | 527 | - | - | - | - |
| Consumable supplies | 3 972 | 2 055 | - | - | - | - | 37 617 | 39 500 | 39 500 |
| Consumable: Stationery, printing and office supplies | 43 | 649 | 231 | 4 220 | 4 220 | 3 844 | 300 | 315 | 315 |
| Operating leases | 14 | 57 | - | - | - | 19 | - | - | - |
| Property payments | - | 17 | - | - | - | 195 | - | - | - |
| Travel and subsistence | 145 | 323 | 113 | 633 | 633 | 310 | 1 000 | 1 050 | 1 050 |
| Training and development | - | - | - | 527 | 527 | 527 | - | - | - |
| Operating payments | - | - | - | 2 786 | 2 786 | 2 786 | 105 212 | 110 500 | 110 500 |
| Venues and facilities | 59 | 92 | 85 | 422 | 422 | 132 | 200 | 210 | 210 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 101 | 1 532 | - | 3 650 | 3 650 | - | - | - | - |
| Machinery and equipment | 101 | 1 532 | - | 3 650 | 3 650 | - | - | - | - |
| Transport equipment | - | 1 532 | - | - | - | - | - | - | - |
| Other machinery and equipment | 101 | - | - | 3 650 | 3 650 | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 1 144 368 | 1 085 489 | 1 283 939 | 1 237 534 | 1 253 300 | 1 462 576 | 1 287 034 | 1 355 247 | 1 423 009 |

Table 5.L : Payments and estimates by economic classification: HIV and AIDS (Life-Skills Education) (Programme 7)

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation 2014/15 | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|--------------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 28 402 | 42 776 | 19 336 | 41 461 | 70 747 | 74 592 | 39 788 | 42 296 | 40 115 |
| Compensation of employees | - | - | 311 | - | - | 212 | - | - | 20 195 |
| Salaries and wages | - | - | 311 | - | - | 212 | - | - | 19 980 |
| Social contributions | - | - | - | - | - | - | - | - | 215 |
| Goods and services | 28 402 | 42 776 | 19 025 | 41 461 | 70 747 | 74 380 | 39 788 | 42 296 | 19 920 |
| Administrative fees | 1 622 | 1 749 | 1 018 | - | 2 000 | 750 | - | - | 500 |
| Advertising | 417 | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 929 | 1 028 | 741 | 2 500 | 2 500 | 1 406 | 2 500 | 2 500 | 900 |
| Cons & prof serv: Business and advisory services | - | 102 | - | - | - | - | - | - | - |
| Contractors | - | 107 | - | - | - | - | - | - | - |
| Agency and support / outsourced services | 33 | - | 26 | - | 1 000 | 525 | - | - | - |
| Entertainment | - | - | - | - | - | 55 | - | - | - |
| Inventory: Learner and teacher support material | 5 123 | - | 222 | 14 416 | 14 416 | 2 361 | 12 743 | 15 281 | 450 |
| Inventory: Materials and supplies | - | - | - | - | - | 300 | - | - | - |
| Inventory: Medical supplies | 2 426 | 716 | - | - | 22 000 | - | - | - | - |
| Inventory: Other supplies | - | - | 10 | - | 286 | - | - | - | - |
| Consumable supplies | - | - | 111 | - | 1 000 | 418 | - | - | - |
| Consumable: Stationery, printing and office supplies | 281 | 26 967 | 81 | 2 000 | 3 000 | 2 539 | 2 000 | 1 970 | 250 |
| Operating leases | 5 | - | - | - | - | - | - | - | - |
| Property payments | - | - | 538 | - | 1 000 | 34 652 | - | - | - |
| Transport provided: Departmental activity | 1 341 | 1 542 | 1 448 | 2 000 | 2 000 | 3 799 | 2 000 | 2 000 | 2 190 |
| Travel and subsistence | 12 609 | 8 771 | 11 213 | 13 220 | 13 220 | 15 265 | 13 220 | 13 220 | 7 880 |
| Training and development | 427 | 55 | 220 | 1 500 | 2 500 | 2 489 | 1 500 | 1 500 | 850 |
| Operating payments | 3 | 23 | - | 825 | 825 | 1 034 | 825 | 825 | 4 500 |
| Venues and facilities | 3 131 | 1 548 | 3 322 | 5 000 | 5 000 | 8 685 | 5 000 | 5 000 | 2 400 |
| Rental and hiring | 55 | 168 | 75 | - | - | 102 | - | - | - |
| Transfers and subsidies to | 16 712 | 7 178 | 12 | 10 800 | 10 800 | 6 955 | 10 800 | 10 800 | 16 000 |
| Non-profit institutions | 16 712 | 7 178 | 12 | 10 800 | 10 800 | 6 955 | 10 800 | 10 800 | 16 000 |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 45 114 | 49 954 | 19 348 | 52 261 | 81 547 | 81 547 | 50 588 | 53 096 | 56 115 |

Table 5.M : Payments and estimates by economic classification: Technical Secondary Schools Recap grant (Programme 2)

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | | 2014/15 | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 18 956 | 3 477 | 27 385 | 25 480 | 23 480 | 30 763 | - | - | - |
| Compensation of employees | - | - | - | 2 000 | - | 1 236 | - | - | - |
| Salaries and wages | - | - | - | 2 000 | - | 1 236 | - | - | - |
| Goods and services | 18 956 | 3 477 | 27 385 | 23 480 | 23 480 | 29 527 | - | - | - |
| Administrative fees | 10 | 42 | 59 | - | - | 7 | - | - | - |
| Minor Assets | 6 693 | 1 670 | - | 6 612 | 6 612 | 6 662 | - | - | - |
| Catering: Departmental activities | - | - | - | - | - | - | - | - | - |
| Computer services | 975 | - | - | 1 046 | 1 046 | 1 046 | - | - | - |
| Cons & prof serv: Business and advisory services | - | - | - | - | - | - | - | - | - |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | 403 | - | - | 110 | - | - | - |
| Inventory: Materials and supplies | 31 | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | 3 | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | 20 764 | - | - | 2 837 | - | - | - |
| Consumable supplies | - | - | - | 15 405 | 15 405 | - | - | - | - |
| Consumable: Stationery,printing and office supplies | - | - | - | - | - | 379 | - | - | - |
| Operating leases | - | - | - | - | - | 6 | - | - | - |
| Property payments | 10 608 | - | 470 | - | - | 16 172 | - | - | - |
| Travel and subsistence | 220 | 1 034 | 1 249 | 67 | 67 | 196 | - | - | - |
| Training and development | 416 | 731 | 1 438 | 350 | 350 | 1 784 | - | - | - |
| Operating payments | - | - | 3 002 | - | - | 328 | - | - | - |
| Transfers and subsidies to | - | - | 4 908 | - | - | 164 | - | - | - |
| Non-profit institutions | - | - | 4 908 | - | - | 164 | - | - | - |
| Payments for capital assets | 17 806 | 29 499 | 6 737 | 19 800 | 29 353 | 23 729 | - | - | - |
| Buildings and other fixed structures | 5 624 | 21 201 | 6 737 | - | 2 000 | - | - | - | - |
| Buildings | 5 624 | 21 201 | 6 737 | - | 2 000 | - | - | - | - |
| Machinery and equipment | 12 182 | 8 298 | - | 19 800 | 27 353 | 23 729 | - | - | - |
| Other machinery and equipment | 12 182 | 8 298 | - | 19 800 | 27 353 | 23 729 | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 36 762 | 32 976 | 39 030 | 45 280 | 52 833 | 54 656 | - | - | - |

Table 5.N : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Programme 2)

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|------------|--------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | | 2014/15 | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | 895 | 1 340 | 2 070 | 2 937 | 2 937 | 2 644 | - | - |
| Compensation of employees | - | - | - | 2 070 | 2 937 | 2 937 | 2 644 | - | - |
| Salaries and wages | - | - | - | 2 070 | 2 937 | 2 937 | 2 644 | - | - |
| Goods and services | - | 895 | 1 340 | - | - | - | - | - | - |
| Property payments | - | 895 | 1 340 | - | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | - | 895 | 1 340 | 2 070 | 2 937 | 2 937 | 2 644 | - | - |

Table 5.O : Payments and estimates by economic classification: Dinaledi Schools grant (Programme 2)

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | | 2014/15 | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 12 150 | 17 079 | 15 840 | 10 068 | 11 958 | 18 558 | - | - | - |
| Compensation of employees | - | - | - | 500 | 500 | 129 | - | - | - |
| Salaries and wages | - | - | - | 500 | 500 | 129 | - | - | - |
| Goods and services | 12 150 | 17 079 | 15 840 | 9 568 | 11 458 | 18 429 | - | - | - |
| Administrative fees | 228 | 90 | - | - | - | 1 | - | - | - |
| Catering: Departmental activities | - | 911 | 201 | 30 | 30 | 30 | - | - | - |
| Computer services | 3 088 | - | 2 021 | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 4 165 | 11 524 | 6 156 | 3 738 | 4 628 | 15 352 | - | - | - |
| Inventory: Materials and supplies | - | 5 | - | - | - | - | - | - | - |
| Consumable supplies | 1 751 | - | - | - | - | - | - | - | - |
| Consumable: Stationery,printing and office supplies | - | 80 | 432 | - | 1 000 | 460 | - | - | - |
| Transport provided: Departmental activity | - | 2 670 | 305 | - | - | 117 | - | - | - |
| Travel and subsistence | 1 364 | 1 145 | 4 627 | 1 760 | 1 760 | 641 | - | - | - |
| Training and development | 875 | 290 | 2 098 | 1 640 | 1 640 | 1 326 | - | - | - |
| Operating payments | - | - | - | - | - | 502 | - | - | - |
| Venues and facilities | 679 | 364 | - | 2 400 | 2 400 | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 170 | - | - | 9 500 | 9 500 | 2 900 | - | - | - |
| Machinery and equipment | 170 | - | - | 9 500 | 9 500 | 2 900 | - | - | - |
| Other machinery and equipment | 170 | - | - | 9 500 | 9 500 | 2 900 | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 12 320 | 17 079 | 15 840 | 19 568 | 21 458 | 21 458 | - | - | - |

Table 5.P : Payments and estimates by economic classification: Maths, Science and Technology grant (Programme 2)

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|---------|---------|---------------|---------------|----------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| | | | | | 2014/15 | | | | |
| Current payments | - | - | - | - | - | - | 19 540 | 18 352 | 18 946 |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Salaries and wages | - | - | - | - | - | - | - | - | - |
| Goods and services | - | - | - | - | - | - | 19 540 | 18 352 | 18 946 |
| Administrative fees | - | - | - | - | - | - | 720 | - | 850 |
| Minor Assets | - | - | - | - | - | - | 7 969 | 4 831 | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | 30 | 800 |
| Catering: Departmental activities | - | - | - | - | - | - | 600 | - | - |
| Communication (G&S) | - | - | - | - | - | - | 2 500 | - | 3 000 |
| Computer services | - | - | - | - | - | - | - | 928 | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | 3 638 | - |
| Inventory: Other supplies | - | - | - | - | - | - | 900 | - | 1 600 |
| Consumable: Stationery, printing and office supplies | - | - | - | - | - | - | 165 | - | 135 |
| Property payments | - | - | - | - | - | - | - | 3 623 | - |
| Travel and subsistence | - | - | - | - | - | - | 5 000 | 1 827 | 5 310 |
| Training and development | - | - | - | - | - | - | 86 | 2 075 | 5 600 |
| Operating payments | - | - | - | - | - | - | 100 | - | 151 |
| Venues and facilities | - | - | - | - | - | - | 1 500 | 1 400 | 1 500 |
| Transfers and subsidies to | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | 40 458 | 44 100 | 44 936 |
| Buildings and other fixed structures | - | - | - | - | - | - | 800 | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | 35 658 | 40 100 | 40 936 |
| Other machinery and equipment | - | - | - | - | - | - | 35 658 | 40 100 | 40 936 |
| Software and other intangible assets | - | - | - | - | - | - | 4 000 | 4 000 | 4 000 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | 59 998 | 62 452 | 63 882 |

Table 5.Q : Payments and estimates by economic classification: Education Infrastructure grant (Programme 6)

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--------------------------------------|-----------------|-----------|-----------|---------------|---------------|-----------|-----------------------|-----------|-----------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| | | | | | 2014/15 | | | | |
| Current payments | 60 937 | 111 300 | 119 202 | 122 169 | 122 169 | 122 169 | 25 000 | 26 375 | 27 694 |
| Compensation of employees | - | - | - | - | - | - | 25 000 | 26 375 | 27 694 |
| Salaries and wages | - | - | - | - | - | - | 25 000 | 26 375 | 27 694 |
| Goods and services | 60 937 | 111 300 | 119 202 | 122 169 | 122 169 | 122 169 | - | - | - |
| Operating leases | 8 995 | - | - | - | - | - | - | - | - |
| Property payments | 51 942 | 111 300 | 119 202 | 122 169 | 122 169 | 122 169 | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 1 115 019 | 1 311 700 | 1 187 219 | 1 263 612 | 1 263 612 | 1 263 612 | 1 953 683 | 1 831 273 | 1 922 836 |
| Buildings and other fixed structures | 1 115 019 | 1 311 700 | 1 187 219 | 1 263 612 | 1 263 612 | 1 263 612 | 1 953 683 | 1 831 273 | 1 922 836 |
| Buildings | 1 115 019 | 1 311 700 | 1 187 219 | 1 263 612 | 1 263 612 | 1 263 612 | 1 953 683 | 1 831 273 | 1 922 836 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 1 175 956 | 1 423 000 | 1 306 421 | 1 385 781 | 1 385 781 | 1 385 781 | 1 978 683 | 1 857 648 | 1 950 530 |

Table 5.R : Payments and estimates by economic classification: OSD for Education Therapists (Programme 4)

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--------------------------------------|-----------------|---------|---------|---------------|---------------|----------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| | | | | | 2014/15 | | | | |
| Current payments | - | - | - | 41 581 | 41 581 | 41 581 | 13 079 | - | - |
| Compensation of employees | - | - | - | 41 581 | 41 581 | 41 581 | 13 079 | - | - |
| Salaries and wages | - | - | - | 41 581 | 41 581 | 41 581 | 13 079 | - | - |
| Goods and services | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | 41 581 | 41 581 | 41 581 | 13 079 | - | - |

Table 5.S : Payments and estimates by economic classification: Social Sector EPWP Grant for Provinces (Programme 2)

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--------------------------------------|-----------------|---------|---------|---------------|---------------|----------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| | | | | | 2014/15 | | | | |
| Current payments | - | - | - | 2 580 | 2 580 | 2 580 | 3 000 | - | - |
| Compensation of employees | - | - | - | 2 580 | 2 580 | 2 580 | 3 000 | - | - |
| Salaries and wages | - | - | - | 2 580 | 2 580 | 2 580 | 3 000 | - | - |
| Goods and services | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | 2 580 | 2 580 | 2 580 | 3 000 | - | - |

Table 5.1 : Education - Payments of infrastructure by category

| Table 2.1 : Education - Payments for infrastructure by category | | | | | | | | | | | | | |
|---|-----------------------|--|---------|------------------|--------------|-------------------|-----------------------|-------------------------------------|--------------------|---|-----------------|------------------------|-----------|
| Project name | Municipality / Region | Type of infrastructure | | Project duration | | Source of funding | Budget programme name | Targeted number of jobs for 2015/16 | Total project cost | Expenditure to date from previous years | Total available | MTEF Forward estimates | |
| | | School - primary/ secondary/ specialised; admin block; water; electricity; sanitation/toilet; fencing etc. | Units | Date: Start | Date: Finish | | | | | | | 2015/16 | 2016/17 |
| R thousands | | | | | | | | | | | | | |
| Existing infrastructure assets | | | | | | | | | | | | | |
| of which: | | | | | | | | | | | | | |
| Maintenance and repair: Current | | | | | | | | | | | | | |
| Various | Various | Various | Various | Various | Various | Various | Various | - | - | - | 2 051 997 | 1 863 111 | 1 748 750 |
| Upgrades and additions: Capital | | | | | | | | | | | | | |
| Various | Various | Various | Various | Various | Various | Various | Programme 6 | - | - | - | 854 838 | 680 490 | 713 336 |
| Refurbishment and rehabilitation: Capital | | | | | | | | | | | | | |
| Various | Various | Various | Various | Various | Various | Various | Programme 6 | - | - | - | 854 838 | 680 490 | 713 336 |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |

VOTE 6

Provincial Treasury

| | |
|---------------------------------|---------------------|
| Operational budget | R 710 329 423 |
| MEC remuneration | R 1 821 577 |
| Total amount to be appropriated | R 712 151 000 |
| Responsible MEC | MEC for Finance |
| Administering department | Provincial Treasury |
| Accounting officer | Accountant General |

1. Overview

Vision

The vision of the department is: *Be the centre of excellence in financial and fiscal management in the country.*

Mission statement

The department's mission is: *To enhance the KwaZulu-Natal Provincial Government's service delivery by responding to the expectations of all stakeholders in the value chain as a key driver through:*

- Optimum and transparent allocation of financial resources while enhancing revenue generation and financial management practices in compliance with applicable legislation and corporate governance principles.
- Competent and dedicated employees who are at the centre of ensuring best value to their stakeholders.

Strategic objectives

Strategic policy direction: The Provincial Treasury will ensure a credible distribution of available funds between departments taking cognisance of the demands for social services and the need to stimulate economic development and growth, and will commit to provide ongoing, effective and efficient support services to internal and external clients. The department will analyse and monitor government revenue and expenditure in the provincial and local spheres, including public entities, undertake robust public policy research and instil prudent financial management and good governance.

The department has set the following goals and strategic objectives:

- To promote sound financial management practices and fiscal management through good governance.
- To ensure targeted financial resources allocation and utilisation that contributes to improved service delivery.
- To enhance the capacity and capability of Supply Chain Management (SCM) in departments, municipalities and public entities to eliminate irregular expenditure.
- To focus on the enhancement of Broad-Based Black Economic Empowerment (B-BBEE) through effective SCM policies.
- To monitor and facilitate infrastructure delivery in the province and thereby contribute towards job creation.
- To co-ordinate and enhance revenue collection for sustainable service delivery to the citizens.
- To promote sound cash management practices and improve liquidity in the province.

As of 1 April 2014, the KwaZulu-Natal Gaming and Betting Board (KZNGBB) public entity fell under the Provincial Treasury in line with the provincial reconfiguration which took place subsequent to the 2014 general elections.

Core functions

The core functions of the department include the following:

- Mobilisation of funds for the provincial government.
- Allocation of fiscal resources to provincial departments.
- Preparation of annual and MTEF budgets.
- Province-wide cash management.
- Internal audit.
- Provincial financial management in terms of the PFMA and MFMA through:
 - Budget monitoring and reporting.
 - Financial accounting.
 - Financial systems maintenance.
- Provision of advice on procurement policies and procedures in provincial government.
- Control and regulation of the gaming and betting function.

Legislative mandate

The department is governed by the following pieces of legislation and policy directives:

- Annual Division of Revenue Act
- Government Immovable Asset Management Act (Act No. 19 of 2007)
- Intergovernmental Relations Framework Act (Act No. 13 of 2005)
- Municipal Finance Management Act (MFMA) (Act No. 56 of 2003)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000) (PPPFA)
- Borrowing Powers of Provincial Governments Act (Act No. 48 of 1996)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Provincial Internal Audit Act (Act No. 2 of 2001)
- Provincial Tax Regulation Process Act (Act No. 53 of 2001)
- Public Audit Act (Act No. 25 of 2004)
- The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Provincial Appropriation Acts
- KwaZulu-Natal Gaming and Betting Act (Act No. 8 of 2010)
- KwaZulu-Natal Gaming and Betting Tax Act (Act No. 9 of 2010)

2. Review of the 2014/15 financial year

Section 2 provides a review of 2014/15, outlining the main achievements and progress made by the department, as well as providing a brief discussion on challenges and new developments.

Fiscal Resource Management

Infrastructure: The unit continued to assist provincial departments in planning for, and implementing infrastructure programmes and initiatives, in order to obtain maximum value for money. The Infrastructure Delivery Management System (IDMS), developed through the Infrastructure Delivery Improvement Programme (IDIP) was facilitated by KZN Treasury *via* National Treasury. The IDMS focused on the Departments of Education, Health and Public Works.

Economic Analysis: The unit continued to produce economic and public policy research, participate in various academic conferences and workshops, undertake district municipality profiling and deliver economic presentations throughout the province. It also provided informative analysis about the provincial Socio-economic Review and Outlook (SERO) and contributed to municipalities' Integrated Development Plans (IDPs). The unit was successfully involved in, among others, a number of strategic events, including various international, African, national and local cycling events.

Public Finance: The spending and service delivery achievements of 15 departments and 13 listed public entities were monitored and the Finance Portfolio Committee was briefed on the mid-year and close-out budget performance of the province. Similarly, the newly established Standing Committee on Oversight was briefed on the budget performance of the Provincial Legislature. The Executive Council was constantly kept up-to-date on KZN's spending. The 2014/15 *Adjustments Estimate of Provincial Revenue and Expenditure (AEPRE)*, which is a legislative requirement of the PFMA, was prepared and tabled in the Legislature. The 2015/16 Main Budget was prepared for tabling on 10 March 2015. Focus was placed on the enhancement of revenue collected from health patient fees, with Treasury working closely with Health in this regard. The cost-cutting measures first implemented in 2009/10 continue to remain in place in KZN, together with the cost-cutting measures issued by National Treasury.

Municipal Finance: The unit continued to provide technical support to municipalities in preparation of their budgets. The roll-out of the Municipal Support Programme (MSP) continued in 2014/15 with the unit assisting municipalities with various work streams, based on their individual needs. The 2014/15 Draft Budgets and Adopted Budgets of all of the delegated municipalities were received and assessed for accuracy and compliance with the MFMA and Municipal Budget and Reporting Regulations (MBRR). A detailed assessment was done on the Draft Budgets in order to provide input into the Final Budgets and a further high level assessment was done on the Adopted Budgets. Furthermore, the unit conducted a monthly analysis and provided feedback on the financial performance of the 58 delegated municipalities. In addition, four quarterly reports on the financial performance of all municipalities in KZN were prepared. The unit assessed the delegated municipalities' level of compliance with the MFMA using the 30 MFMA Indicators Tool.

Financial Management

Financial Assets and Liabilities: Support was provided to departments in respect of pay-roll tax, assets and banking matters. This included a quarterly risk analysis to identify training requirements per department and to ensure compliance with relevant legislation. The introduction of cash blocking ensured that departments' spending was in line with funds available. Funds were made available to departments as required, in line with their cash flow forecasts for the financial year, and as per the equitable share received from National Treasury.

Public Private Partnerships (PPP): The unit continued to provide support on the exit strategy in respect of the Inkosi Albert Luthuli Central Hospital (IALCH), as well as the five-year review and five-year strategy for the Ilembe District Municipality water sanitation concession. The unit rendered assistance and offered innovative solutions to challenges faced by both initiatives.

Supply Chain Management: Support was provided to departments and municipalities with regard to SCM policies and procedures. This entailed conducting compliance assessments to determine the required support interventions and the provision of training, where required. The Contract Management Project (CMP) was rolled out to all provincial departments. This system ensures effective supplier performance management and value for money.

The unit advertised and awarded a bid for the e-Procurement Tool. In addition, B-BBEE verification of suppliers on the suppliers' database commenced in line with the new B-BBEE validation requirements.

The unit successfully launched the Municipal Bid Appeals Tribunal (MBAT) for all municipalities in KZN. The unit continued to ensure effective policy review and updating of practice notes and circulars, in line with Legislative and National Treasury requirements.

Financial Reporting: Significant progress was made in financial management practices in KZN. Financial management support, particularly in local government, was instrumental in the improved audit outcomes for the 2013/14 MFMA audit opinions. Treasury also obtained a clean audit report for the Provincial Revenue Fund for 2013/14. This is the sixth clean audit in a row.

Norms and Standards: The unit provided an enhanced level of policy assistance to municipalities and departments by focussing primarily on the review and development of critical finance-related policies as outlined in the MFMA and PFMA. Moreover, a concerted effort was made to determine the status of these policies in municipal and provincial entities, with support provided where so determined.

Support and Interlinked Financial Systems: The start of the biometric enablement of the asset management system was delayed due to the department streamlining the system in order to make it more cost-efficient. New server infrastructure was installed to ensure that the Biometric Access Control System functions optimally.

KwaZulu-Natal Gaming and Betting Board (KZNGBB): The KZNGBB is responsible for the collection of horse racing and casino taxes for the Province of KwaZulu-Natal, regulating the gambling industry and ensuring the responsible roll-out of gaming and betting initiatives. The entity focused on aligning its structure to the strategy and improving its internal systems. The entity continued with the roll-out of bingo halls and executing its mandate as contained in the Act. One area which received increased focus was the transformation of the gambling industry, with the entity issuing an additional 29 bookmaker licences targeting previously disadvantaged individuals. Other initiatives included the issuing of Type-B Limited Pay-out Machine (LPM) licences and independent site operator licences.

Internal Audit

Assurance Services: The unit provided internal audit services to departments and some public entities with specific focus on enhancing good governance and control through improved audit outcomes. The unit conducted performance audits, audit reviews of interim financial statements, as well as routine audit assignments focusing on transversal and core business areas. The unit also performed a number of formal consulting audit activities – i.e. the Patient Referral System at Health, and the Head Count Project at Education. The unit continued to implement performance information reviews, IT audit reviews of IT controls and governance processes, as well as formal consulting services by providing ongoing advice during the system development of some IT systems implementation, such as the controls on the Biometric Access Control System, the on-line Travel System, and the on-line Leave Management System.

Risk and Advisory Services: The unit continued to provide risk management support to departments and public entities, mainly in areas of facilitation of risk assessment exercises and monitoring of the implementation of risk mitigating plans. The unit also provided training to all members of the risk committees within departments. This training was to improve risk governance and assist in improving maturity of risk management. Risk forums were held with the aim of providing a platform for sharing best practices in risk management, highlighting new processes and topics, as well as addressing concerns such that a transversal solution could be attained.

Forensic Audit Services: The unit completed eight investigations, and conducted 19 follow-ups to track the status of implementation of recommendations arising from forensic investigation reports. It also commenced with the development of a Fraud Case Management system that will be used to record, consolidate and track all forensic investigations conducted within all spheres of provincial government.

3. Outlook for the 2015/16 financial year

Section 3 looks at the key focus areas of 2015/16, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments.

The bulk of the department's budget allocation in the 2015/16 MTEF is for financial management (for

general oversight of all departments, municipalities and public entities' budget processes), internal audit, SCM, and support for transversal and interlinked financial systems. In addition, the department is continuing to implement a number of special projects, such as infrastructure support of IDIP Transaction Advisors (TAs), Operation Pay-on-Time, Operation Clean Audit, irregular expenditure projects, MSP, etc.

Fiscal Resource Management

Economic Analysis: The unit will continue to undertake economic and public policy research, participate in various academic conferences and workshops, undertake district municipality profiling and deliver economic presentations throughout the province. It will also continue to support and facilitate strategic development projects, events and activities in the province. Departmental economic impact analysis and spatial analysis will be a key priority for 2015/16.

Infrastructure: The unit will continue to monitor infrastructure planning and delivery performance throughout the province. It will co-ordinate and facilitate infrastructure funding mechanisms and opportunities to support the provincial fiscal framework, including the hosting and expansion of the KZN Funding Fare series which is a platform to bring project promoters and funders together. The unit will continue to assist departments with funding applications and provide technical support in the development and management of the KZN Provincial Infrastructure Master Plan. The implementation of IDMS province-wide and the facilitation of the U-AMPS will continue to be priorities. The Infrastructure Reporting Model (IRM) will be used as a reporting tool for all provincial infrastructure projects (including all *Capital* and *Current* infrastructure).

Public Finance: Public Finance's functions are largely process driven and governed by various legislative requirements. As such, the work often remains largely unchanged from the previous year in terms of the processes that need to be undertaken. Accordingly, monitoring the spending of departments and public entities will continue in 2015/16, with the aim of keeping provincial spending within budget. The Executive Council will continue to be kept informed of the province's budget performance, on a monthly basis. The *AEPRE* for 2015/16 and the *EPRE* for 2016/17 will be prepared. The enhancement of provincial own revenue will gain momentum in view of the budget cuts brought about by the fiscal consolidation plan, which is being implemented by National Treasury to reign in government debt. National Treasury will be provided with information on the Division of Revenue and Provincial Equitable Share (PES), as well as the conditional grant frameworks.

Municipal Finance: Focus will be placed on enhancing the sustainability of municipalities. The unit will monitor and support the delegated municipalities that are piloting the Standard Chart of Accounts (SCOA) framework and system functionality, and will monitor the non-piloting municipalities' preparation for the broader migration of their systems. The MSP will focus on assisting municipalities in enhancing their internal controls, improving their VAT process, as well as instituting cashflow management practices and improving the credibility of their budgets. Post implementation reviews will be conducted to ensure sustainability.

Financial Management

Financial Assets and Liabilities: A support service will continue to be offered to departments in respect of pay-roll tax, assets and banking functions. The unit will continue to monitor all departmental bank balances on a daily basis to ensure that proper cashflow is being maintained. Excess funds will be invested with the South African Reserve Bank (SARB) to ensure maximum interest is earned.

Public Private Partnership: The PPP unit will continue to address the lack of capacity in departments and municipalities in identifying and managing PPP projects. The unit also aims to create and improve relationships between various stakeholders in the PPP process in order to promote better PPP project flow, and to prevent projects taking place that are not considered to be value for money and/or affordable. The unit will embark on intense awareness campaigns and capacity building with various SMMEs.

Supply Chain Management: The unit will continue to provide hands-on support to departments and municipalities, and will continue with the subsequent phases of the CMP which will culminate with all municipalities having fully completed contract registers supported by legitimate contract documents. The MBAT is now fully functional and will be introduced *via* way of district road shows to increase public awareness about the MBAT mechanism.

The unit will commence with the implementation of the e-Procurement Tool in departments. The unit will commence work on the benchmark price list which will be updated on an ongoing basis, and will initially comprise of the most frequently procured items by government. Where required, interventions and additional support will be provided to departments, municipalities and public entities.

Financial Reporting: To improve the effectiveness of the unit, focus will be placed on regular hands-on engagement and support to departments, public entities and municipalities to enhance their financial accounting and reporting performance, as well as continued staff development and training programmes to develop and retain the requisite financial management skills and expertise. The unit will play a major role in the Operation Clean Audit campaign, by ensuring enhanced financial management in all spheres of government.

Norms and Standards: The unit, as per National Treasury's request, will facilitate the implementation of the new upgraded Diagnostic Compliance Tool and the Financial Management Capability Maturity Model (FMCMM), by identifying two departments as part of the pilot project prior to the nationwide roll-out of the financial model. Inputs will be forwarded to National Treasury in order to address the various challenges that may be experienced during the pilot phase.

Support and Interlinked Financial Systems: The biometric enablement of the asset management system will be completed in 2015/16. Enhancements and standardisation of the Biometric Access Control System are to be expedited to improve the level of support for the system in the province.

KwaZulu-Natal Gaming and Betting Board (KZNGBB): The entity will pursue its mandate by ensuring that all gambling authorised under the Act is conducted in a manner which promotes the integrity of the gambling industry and does not cause harm to the public. In addition, the KZNGBB will ensure that gaming promotes tourism, employment, economic and social development. It will continue to invite, consider and process new applications and/or renewals for any gaming or betting licences, to amend, specify, substitute or rescind any casino licence conditions, as well as to undertake investigations or inspections into gambling operations in KZN.

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

Internal Audit

Assurance Services: The unit will continue to provide internal audit services to departments and public entities by performing risk based audits, with specific focus on overall good governance. The intention is to identify additional critical service delivery projects to determine value for money for the resources expended as part of its focus on performance auditing. Resources will be directed towards the achievement and sustaining of clean audit outcomes, specifically in areas of transversal operational activities such as SCM and asset management. Audit efforts on IT governance and controls will be expanded, as this has been identified as a critical risk area. The unit will continue to perform governance reviews, as well as support the Audit and Risk Committee structures.

Risk and Advisory Services: The unit's main focus will be to ensure that the implementation plan of the recommendations of the risk management maturity gap analysis findings are on track, and to provide the necessary interventions as and when required. The risk management tool, CURA, will also be rolled out to all departments and selected public entities and municipalities to strengthen awareness and ownership of risk management. The Governance Risk and Compliance Framework will be piloted in two public entities.

Forensic Audit Services: The envisaged Fraud Case Management System will be made accessible to the Office of the Premier (OTP) for provincial reporting purposes during 2015/16, and will be used to assist with monitoring and addressing delays in forensic investigations. More detailed follow-up audits will be conducted to assess the extent to which investigated entities are implementing forensic investigation recommendations. Fraud prevention plan strategies of all departments will also be reviewed.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 6.1 below shows the sources of funding for Vote 6 over the seven-year period 2011/12 to 2017/18. The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 6.1 : Summary of receipts and financing

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Equitable share | 512 366 | 567 640 | 485 764 | 703 762 | 559 154 | 559 154 | 648 589 | 680 768 | 708 506 |
| Conditional grants | - | - | - | - | - | - | - | - | - |
| Total receipts | 512 366 | 567 640 | 485 764 | 703 762 | 559 154 | 559 154 | 648 589 | 680 768 | 708 506 |
| Total payments | 411 205 | 557 733 | 623 448 | 878 315 | 708 472 | 667 134 | 712 151 | 707 768 | 708 506 |
| Surplus/(Deficit) before financing | 101 161 | 9 907 | (137 684) | (174 553) | (149 318) | (107 980) | (63 562) | (27 000) | - |
| Financing | | | | | | | | | |
| of which | | | | | | | | | |
| Provincial roll-overs | 18 538 | 40 926 | 34 004 | - | 24 765 | 24 765 | - | - | - |
| Provincial cash resources | - | 44 062 | 180 927 | 174 553 | 124 553 | 124 553 | 63 562 | 27 000 | - |
| Surplus/(Deficit) after financing | 119 699 | 94 895 | 77 247 | - | - | 41 338 | - | - | - |

The department receives only a provincial allocation over the seven-year period. In 2011/12, the amount of R18.538 million against provincial roll-overs was in respect of funds rolled over from 2010/11 for the development of the Pietermaritzburg airport.

The department ended 2011/12 with a surplus of R119.699 million. This was mostly in respect of savings on the overdraft interest provision, following the improvement in the funds available in the Inter-Governmental Cash Co-ordination (IGCC) account, due to the effective implementation of cost-cutting measures by the province.

The amount of R40.926 million against provincial roll-overs in 2012/13 was in respect of roll-overs from the previous financial year for the Pietermaritzburg (R16.760 million) and Richards Bay (R7.041 million) airports, the Infrastructure Crack Team (R3.904 million), the purchasing of a server refresher for the computer network system (R2.659 million), and for consultants' fees in respect of Risk Management facilitation workshops and training, forensic investigations, conducting IT risk assessments on the BAS system and the development of the Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) guidelines (R10.562 million).

The amount of R44.062 million against provincial cash resources in 2012/13 was in respect of the Pietermaritzburg airport (R20 million), the Thuthuka Bursary Fund (R4 million), the Infrastructure Crack Team (R10 million), the Shayamoya eco-complex (R2.062 million), and for the development of a light industrial park at Bhongweni (R8 million). The Shayamoya eco-complex is a cultural complex and community park in Kokstad, which aims to make East Griqualand a more attractive tourist destination. The development of a light industrial park at Bhongweni in the Greater Kokstad Municipality aims to develop the infrastructure and institutional arrangements and operationalise a light industrial park that will operate as a small business incubator to attract, train, mentor and assist in the development of skilled artisans. Both projects will be finalised by the end of 2015/16.

The department ended 2012/13 with a surplus of R94.895 million. The under-spending was mainly due to the non-filling of posts resulting from high staff turnover and a shortage of suitably qualified candidates. Also accounting for the under-spending, was an improvement in the funds available in the Pay-Master General (PMG) and IGCC accounts resulting from the province earning as opposed to paying interest. The department also under-spent on contract management projects, the Infrastructure Crack Team, legal fees, the e-Procurement Tool, the feasibility study of the government office precinct project, the development of the Pietermaritzburg, Richards Bay, Prince Mangosuthu Buthelezi and Margate airports, as well as the Thuthuka Bursary Fund, the Shayamoya eco-complex, and a light industrial park at Bhongweni.

The amount of R34.004 million against provincial roll-overs in 2013/14 relates to roll-overs from 2012/13 for legal fees (R2.900 million), the Infrastructure Crack Team (R7 million), contract management (R2.400 million), the revived feasibility study of the government office precinct project (R2.627 million),

and the development of the Margate (R2.288 million), Prince Mangosuthu Buthelezi (R603 000), and Pietermaritzburg (R16.186 million) airports.

The provincial cash resources amount of R180.927 million in 2013/14 comprises various projects, including the feasibility study of the government office precinct project, Operation Clean Audit, the e-Procurement Tool, contract management, the Infrastructure Crack Team, forensic investigations, the Shayamoya eco-complex, a light industrial park at Bhongweni, Aero Grand Prix, and Thuthuka Bursary Fund. Furthermore, funds were allocated for Operation *Sukuma Sakhe* (OSS), the Infrastructure Crack Team, the Education nutrition programme, the irregular expenditure project, the Health assets project, and the McCord Hospital take-over, and for a new IT system for the KZNGBB.

In 2013/14, the budget was under-spent by R77.247 million. This relates to delays in the filling of posts resulting from lengthy recruitment processes and a lack of suitably qualified candidates, lower than anticipated audit and legal costs, under-expenditure on the MSP, delays in the appointment of a service provider for the e-Procurement Tool, delays in negotiations in respect of the McCord Hospital take-over project, and delays in obtaining dates for GRAP training with municipalities. Also contributing, were the late receipt of invoices from service providers dealing with the Health Asset Register project, as well as the Education capped-leave project, delays in spending in respect of a light industrial park at Bhongweni and the Shayamoya eco-complex, savings realised in respect of the development and upgrade of the Prince Mangosuthu Buthelezi and Margate airports, and delays in the selection process regarding students for the Thuthuka Bursary Fund.

The department's provincial allocation in 2014/15 decreased. This was due to Strategic Cabinet Initiatives funds being suspended to various departments, such as OTP, Economic Development, Tourism and Environmental Affairs, Co-operative Governance and Traditional Affairs (COGTA), Arts and Culture, and Sport and Recreation. The Strategic Cabinet Initiatives included the Crown Gospel Awards ceremony, the Nelson Mandela Golf Tournament, Africa Bike Week, National Choral Music awards, U19 International Football tournament, among others. Also, funds of R50 million were suspended in respect of rural development projects under Vote 6 to Vote 11 for the Small Town Rehabilitation programme.

The amount of R24.765 million against provincial roll-overs in the 2014/15 Adjusted Appropriation relates to roll-overs from 2013/14 for the Strategic Cabinet Initiatives Fund (R6.382 million), the construction of the Shayamoya eco-complex (R13.062 million), and the development of a light industrial park at Bhongweni (R5.321 million).

The provincial cash resources amount of R124.553 million in the 2014/15 Adjusted Appropriation includes additional allocations for Msunduzi electricity-related developments, the Infrastructure Crack Team, irregular expenditure projects, IDIP TAs, Operation Pay-on-Time, Education capped leave, AFS training, Operation Clean Audit (Financial Management), the e-Procurement Tool, IALCH floor repairs, Strategic Cabinet Initiatives, and carry-through costs of previous years' wage agreements. The decrease of R50 million from the 2014/15 Main to Adjusted Appropriation relates to the suspension of funds in respect of rural development projects, as explained above.

The 2014/15 Revised Estimate shows that the department is anticipating ending the year with under-spending of R41.338 million mainly in respect of:

- *Compensation of employees* resulting from a lack of suitably qualified candidates and lengthy recruitment processes.
- *Goods and services* emanating from Infrastructure Crack team projects being placed on hold due to unforeseen circumstances, delays in the MSP resulting from the non-payment of invoices emanating from unsatisfactory work done by service providers, enhanced financial controls (particularly in the Office of the MEC where the number of road shows was reduced), lower than anticipated spending on forensic investigations, among others.
- *Transfers and subsidies to: Households* in respect of the late receipt of invoices for the Thuthuka Bursary Fund.
- *Machinery and equipment* due to delays in the receipt of invoices for the biometric server refresher system.

In 2015/16, the department's baseline increased to R712.151 million from the 2014/15 Adjusted Appropriation of R708.472 million. The provincial cash resources amount of R63.562 million in 2015/16 is due to suspensions from the previous financial year relating to additional funding for IDIP TAs (2015/16 and 2016/17), Operation Pay-on-Time (2015/16 and 2016/17), Operation Clean Audit (2015/16 and 2016/17), e-Procurement Tool (2015/16 and 2016/17), special audits (2015/16 only), forensic investigations (2015/16 only), Shayamoya eco-complex (2015/16 only), a light industrial park at Bhongweni (2015/16 only), and IALCH floor repairs (2015/16 and 2016/17). These projects (with carry-through) account for the R27 million against provincial cash resources in 2016/17.

It should be noted that there are no provincial cash resources allocated in 2017/18 due to the non-continuation of IDIP TAs, Operation Clean Audit, Operation Pay-on-Time, the e-Procurement Tool, and IALCH floor repairs, as these were only allocated additional funding for a limited time, in line with project requirements.

4.2 Departmental receipts collection

Table 6.2 below gives a summary of the departmental receipts for Vote 6. The details are presented in the *Annexure – Vote 6: Provincial Treasury*.

Table 6.2 : Summary of departmental receipts collection

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | 405 857 | 447 730 | 488 254 | 572 705 | 572 705 | 531 608 | 648 227 | 732 728 | 776 692 |
| Casino taxes | 337 435 | 383 056 | 421 355 | 490 803 | 490 803 | 457 046 | 556 890 | 630 869 | 668 721 |
| Horse racing taxes | 68 422 | 64 674 | 66 899 | 81 902 | 81 902 | 74 562 | 91 337 | 101 859 | 107 971 |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 152 | 159 | 169 | 182 | 182 | 297 | 203 | 204 | 209 |
| Transfers received | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | 1 | - | - | - | - | - | - |
| Interest, dividends and rent on land | 288 008 | 269 818 | 249 807 | 266 048 | 266 048 | 291 100 | 283 341 | 301 757 | 316 846 |
| Sale of capital assets | 760 | 32 | 409 | 160 | 160 | 191 | 170 | 181 | 192 |
| Transactions in financial assets and liabilities | 333 | 437 | 352 | 375 | 375 | 382 | 380 | 382 | 385 |
| Total | 695 110 | 718 176 | 738 992 | 839 470 | 839 470 | 823 578 | 932 322 | 1 035 253 | 1 094 324 |

Tax receipts are derived from taxes collected by the KZNGBB in accordance with the KZN Gaming and Betting Tax Act, 2010. Under this category, the major sources of revenue are *Casino taxes* and *Horse racing taxes*. The increased revenue collection over the seven-year period is a result of increased focus on enforcement and surveillance of the functioning of the gaming and betting industry.

Casino taxes, which are largely derived from LPMs and Bingo gaming revenue, accelerated markedly from 2012/13 onward following the increase in tax rates which came into effect in November 2012. Growth over the 2015/16 MTEF can be ascribed to the expected developments in this industry. The increase in revenue projections can largely be attributed to the planned Suncoast Casino expansion and opening of additional Bingo halls across the province.

The low revenue collection against *Horse racing taxes* in 2012/13 was due to constrained global economic circumstances. The decline in the 2014/15 Revised Estimate is largely driven by the under-performance of the industry. However, growth over the MTEF is largely due to growth in the sports betting sector. Also impacting positively on the MTEF projections, are the additional book-making rights that the KZNGBB has issued in the province. It is expected that there will be a significant impact on revenue in 2016/17 when the businesses issued with these rights become operational.

Sale of goods and services other than capital assets is mainly in respect of game licences, commission on PERSAL deductions such as insurance premiums and garnishees, sale of tender documents, parking fees, etc. The department is expecting to over-collect its 2014/15 Revised Estimate due to the higher than anticipated sale of tender documents, which accounts for the negative growth of 8.7 per cent from 2014/15 to 2017/18.

Interest, dividends and rent on land mainly relates to interest earned on the IGCC and the PMG account. The significant improvement, although fluctuating over the seven-year period, is due to the collective implementation of cost-cutting by provincial departments. The decline in revenue collected in 2013/14 was due to the 1, 2 and 3 per cent baseline reductions implemented by National Treasury. Over the 2015/16 MTEF, revenue projections increase at a slow growth rate due to continued implementation of financial control measures.

Sale of capital assets relates to the disposal of redundant assets, such as vehicles, office equipment, etc. Fluctuations over the seven-year period are due to the uncertain nature of this category as it relies on performance at the auction. The department anticipates disposing motor vehicles over the 2015/16 MTEF in line with its asset disposal policy.

Transactions in financial assets and liabilities is made up of recoveries of staff debts such as breached bursary contracts. The fluctuations over the MTEF can be attributed to the difficulty in forecasting accurately for this category, due to its uncertain nature.

4.3 Donor funding

Table 6.3 provides information on donor funding received by the department from the European Union (EU). Provincial Treasury sent a bid to National Treasury in 2014 to fund the development of Science Parks in KZN. The request for these funds was evaluated and final allocations were approved by the national Ministers' Committee on the Budget. Table 6.4 shows the amounts spent to date and to be spent over the MTEF. In total, KZN receives R120 million from the EU through the General Budget Support (GBS) initiative over the period 2014/15 to 2016/17.

Table 6.3 : Details of donor funding

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-----------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Donor funding | - | - | - | 41 600 | 41 600 | 41 600 | 39 200 | 39 200 | - |
| KwaZulu-Natal Science Parks | - | - | - | 41 600 | 41 600 | 41 600 | 39 200 | 39 200 | - |
| Total | - | - | - | 41 600 | 41 600 | 41 600 | 39 200 | 39 200 | - |

Table 6.4 : Details of payments and estimates of donor funding

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-----------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Donor funding | - | - | - | 41 600 | 41 600 | 500 | 59 750 | 59 750 | - |
| KwaZulu-Natal Science Parks | - | - | - | 41 600 | 41 600 | 500 | 59 750 | 59 750 | - |
| Total | - | - | - | 41 600 | 41 600 | 500 | 59 750 | 59 750 | - |

The department plans to establish four science parks in the province with this funding. These will be located in Pietermaritzburg, Newcastle, Port Shepstone and Richards Bay. The main aim of the science parks is the commercialisation of innovative ideas through which products, processes, strategies and services are formulated to create job opportunities and to create business synergies. The core functions of the science parks include knowledge generation, innovation, enterprise and business formation. The science parks will be aimed at businesses involved in information technology.

In 2014/15, funds of only R500 000 were spent due to delays in the procurement process. The procurement process is anticipated to be finalised in the first half of 2015/16. The remaining amount of R41.100 million will be surrendered, but will be motivated for roll-over, as per advice received from National Treasury. A business plan, indicating how these funds will be spent, will be submitted and it is anticipated that these funds will be spent in equal amounts of R20.550 million (in addition to the R39.200 million already projected to be spent in each of these two years) in 2015/16 and 2016/17, respectively, once the roll-over is approved.

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification.

Further details are given in Section 6 below, as well as in the *Annexure – Vote 6: Provincial Treasury*.

5.1 Key assumptions

The budget for the 2015/16 MTEF is based on the department's approved Strategic Plan and the 2015/16 Annual Performance Plan in line with the service delivery requirements and improvements of the department. Some of the main assumptions supporting the MTEF budget are as follows:

- National Treasury imposed fiscal consolidation cuts on the equitable share and conditional grant allocations of provinces for 2015/16 and 2016/17. In KZN, the bulk of the equitable share cut is absorbed by reducing the Contingency Reserve, stopping of the Strategic Cabinet Initiatives Fund, etc. As part of the fiscal consolidation, National Treasury has not provided any funding for the carry-through costs of the 2014 wage agreement, and the department therefore had to fund these by internal reprioritisation and lowering growth of non-essential item budgets.
- Provision was made for the carry-through costs of the 2014 wage agreement and an inflationary wage adjustment of 5.6, 5.5 and 5 per cent for each of the three years of the 2015/16 MTEF, respectively. The department also provided for the 1.5 per cent pay progression.
- Where feasible, CPI projections were used to calculate inflation related items.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2014/15, will continue to be adhered to over the 2015/16 MTEF, in conjunction with National Treasury Instruction 01 of 2013/14: Cost-containment measures. The provincial cost-cutting measures will be updated to include those that were adopted by the Committee of Heads of Departments (COHODs) in December 2014.
- Provision has been made for the filling of critical vacant posts.

5.2 Additional allocations for the 2013/14 to 2015/16 MTEF

Table 6.5 shows additional funding received by the department over the three MTEF periods: 2013/14, 2014/15 and 2015/16.

The purpose of such a table is two-fold. Firstly, it shows the quantum of additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated.

The carry-through allocations for the 2013/14 and 2014/15 MTEF periods (i.e. for the financial year 2017/18) are based on the incremental percentage used in the 2015/16 MTEF.

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

Over the 2013/14 MTEF, the department received once-off allocations for the feasibility study of the government office precinct project, Operation Clean Audit, the e-Procurement Tool, contract management, Infrastructure Crack Team, forensic investigations, Shayamoya eco-complex, Aero Grand Prix, Thuthuka Bursary Fund, and the development of a light industrial park at Bhongweni.

Table 6.5 : Summary of additional provincial allocations for the 2013/14 to 2015/16 MTEF

| R thousand | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|--|---------------|----------------|-----------------|-----------------|------------------|
| 2013/14 MTEF period | 89 580 | (4 539) | (20 517) | (21 461) | (22 534) |
| Census data update and 1%, 2% and 3% baseline cuts | (8 097) | (16 539) | (20 517) | (21 461) | (22 534) |
| Feasibility study of government office precinct project | 9 000 | - | - | - | - |
| Operation Clean Audit (Financial Management) | 10 000 | - | - | - | - |
| Provincial SCM procurement tool | 8 000 | - | - | - | - |
| Contract management | 10 000 | - | - | - | - |
| Infrastructure Crack Team | 10 000 | - | - | - | - |
| Operation Clean Audit (Internal Audit) | 10 000 | - | - | - | - |
| Forensic investigations | 8 000 | - | - | - | - |
| Shayamoya eco-complex, cultural village and community park | 13 677 | - | - | - | - |
| Thuthuka Bursary Fund | 4 000 | 4 000 | - | - | - |
| Development of light industrial park - Bhongweni | 7 000 | 8 000 | - | - | - |
| Aero Grand Prix | 8 000 | - | - | - | - |
| 2014/15 MTEF period | | 213 599 | 124 853 | 92 519 | 97 145 |
| Suspension from 2013/14 to 2014/15: | | 57 553 | - | - | - |
| <i>e-Procurement Tool</i> | | 6 000 | - | - | - |
| <i>Contract management</i> | | 10 000 | - | - | - |
| <i>Operation Clean Audit (Internal Audit)</i> | | 10 000 | - | - | - |
| <i>Forensic investigations</i> | | 8 000 | - | - | - |
| <i>Government office precinct project</i> | | 9 000 | - | - | - |
| <i>Balance of Strategic Cabinet Initiatives Fund</i> | | 14 553 | - | - | - |
| Rural development projects | | 50 000 | - | - | - |
| Msunduzi electricity-related developments | | 5 500 | - | - | - |
| Infrastructure Crack Team | | 10 000 | - | - | - |
| Irregular expenditure | | 3 500 | - | - | - |
| IDIP TAs | | 8 000 | 8 000 | 8 000 | 8 400 |
| Operation Pay-on-Time | | 3 500 | 3 500 | 3 500 | 3 675 |
| Education capped leave | | 5 000 | - | - | - |
| Operation Clean Audit (Financial Management) | | 10 000 | 5 000 | 5 000 | 5 250 |
| AFS assist municipalities | | 5 000 | - | - | - |
| e-Procurement Tool | | 4 500 | 13 000 | 3 500 | 3 675 |
| Special audits | | - | 8 000 | - | - |
| Forensic investigations | | - | 8 000 | - | - |
| Contract management | | - | - | 7 000 | 7 350 |
| Shayamoya roll-over from 12/13 to 14/15 | | - | 2 062 | - | - |
| Light industrial park - Bhongweni roll-over from 12/13 to 14/15 | | - | 8 000 | - | - |
| Inkosi Albert Luthuli Central Hospital - floor repairs | | 4 000 | 8 000 | 6 000 | 6 300 |
| Strategic Cabinet Initiatives - increasing to R100m | | 46 505 | 59 473 | 57 325 | 60 191 |
| Carry-through of previous wage agreements | | 1 404 | 2 711 | 3 133 | 3 290 |
| Centralisation of communications budget under OTP | | (610) | (640) | (674) | (708) |
| Centralisation of external bursaries budget under OTP | | (253) | (253) | (265) | (278) |
| 2015/16 MTEF period | | | (91 747) | (99 735) | (139 372) |
| IALCH floor repairs | | | 8 000 | - | - |
| Removal of Strategic Cabinet Initiatives Fund | | | (100 000) | (100 000) | (105 000) |
| Removal of IDIP TAs in 2017/18 | | | - | - | (8 400) |
| Removal of Operation Pay-on-Time in 2017/18 | | | - | - | (3 675) |
| Removal of Operation Clean Audit (Financial Management) in 2017/18 | | | - | - | (5 250) |
| Removal of e-Procurement Tool in 2017/18 | | | - | - | (3 675) |
| Removal of contract management in 2017/18 | | | - | - | (7 350) |
| Removal of IALCH - floor repairs in 2017/18 | | | - | - | (6 300) |
| Decentralisation of bursaries budget | | | 253 | 265 | 278 |
| | 89 580 | 209 060 | 12 589 | (28 677) | (64 761) |

Over the 2014/15 MTEF, funds of R57.553 million were suspended from the previous financial year for the e-Procurement Tool (R6 million), contract management (R10 million), Operation Clean Audit (R10 million), forensic investigations (R8 million), the government office precinct project (R9 million), and for the balance of the Strategic Cabinet Initiatives Fund (R14.553 million).

In addition, the department received once-off allocations, in 2014/15, amounting to R156.909 million for rural development projects (R50 million), Msunduzi electricity-related developments (R5.500 million), Infrastructure Crack Team (R10 million), irregular expenditure (R3.500 million), IDIP TAs (R8 million with carry-through), Operation Pay-on-Time (R3.500 million with carry-through), Education capped leave (R5 million), Operation Clean Audit (Financial Management) (R10 million with carry-through), AFS training (R5 million), e-Procurement Tool (R4.500 million with carry-through), IALCH floor repairs (R4 million with carry-through), Strategic Cabinet Initiatives (R46.505 million with carry-through), and carry-through costs of previous years' wage agreements (R1.404 million).

The above additional funding was slightly offset by funds of R610 000 (with carry-through) and R253 000 (with carry-through) being moved to OTP in 2014/15 for the centralisation of parts of the communications budget, and the centralisation of external bursaries, respectively.

Over the 2015/16 MTEF, the department is allocated a once-off additional R8 million for the continuation of the IALCH floor repairs. Also, apart from the carry-through costs in respect of the projects mentioned above, the department was allocated R8 million for forensic investigations and special audits, respectively, R2.062 million for the Shayamoya eco-complex and R8 million for a light industrial park at Bhongweni. In 2016/17, the department received R7 million for contract management.

National Treasury has indicated that the fiscal consolidation that started in 2014/15 is set to continue over the 2015/16 MTEF. In line with this, all three spheres of government have been cut with KZN's portion of this cut being in excess of R500 million per annum. The bulk of this cut is therefore being absorbed by the province's contingency reserve, as well as temporarily halting the government office precinct project and the Strategic Cabinet Initiatives Fund until the period of fiscal consolidation is over. In this regard, the Strategic Cabinet Initiatives Fund (R100 million in 2015/16 and 2016/17, and R105 million in 2017/18) has been removed over the 2015/16 MTEF.

In addition, R34.650 million has been removed in 2017/18 in respect of the following, as these funds were once-off and did not have carry-through beyond 2016/17:

- R8.400 million for IDIP TAs.
- R3.675 million for Operation Pay-on-Time.
- R5.250 million for Operation Clean Audit (Financial Management).
- R3.675 million for the e-Procurement Tool.
- R7.350 million for contract management.
- R6.300 million for IALCH floor repairs.

The above is slightly offset by funds of R253 000 (with carry-through) in respect of the external bursaries budget being decentralised back from OTP to the department following a Cabinet decision.

Note that additional funding was allocated in the 2012/13 MTEF for improving infrastructure support. Although no longer visible in Table 6.5, this funding was specifically and exclusively appropriated and the department has not yet completed the implementation of its revised infrastructure staffing structure that this funding was intended for. Thus amounts of R9.226 million, R9.650 million and R10.133 million remain ring-fenced for this purpose over the three years of the 2015/16 MTEF, in line with the moratorium on the filling of non-critical posts.

5.3 Summary by programme and economic classification

The services rendered by the department are categorised under five programmes, namely Administration, Fiscal Resource Management, Financial Management, Internal Audit and Growth and Development. These programmes are linked to the core functions of the department. The department does not conform to the generic programme structure of the sector at this stage, and this is in the process of being reviewed by the department. Tables 6.6 and 6.7 below provide a summary of the vote's payments and budgeted estimates over the seven-year period, by programme and by economic classification, respectively.

Table 6.6 : Summary of payments and estimates by programme: Provincial Treasury

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 80 361 | 97 905 | 96 932 | 117 338 | 118 312 | 112 023 | 123 089 | 129 917 | 136 413 |
| 2. Fiscal Resource Management | 32 280 | 76 870 | 91 204 | 110 123 | 87 023 | 76 592 | 103 567 | 108 606 | 105 636 |
| 3. Financial Management | 185 674 | 251 487 | 286 894 | 334 795 | 330 695 | 307 295 | 319 778 | 333 036 | 329 738 |
| 4. Internal Audit | 75 169 | 93 154 | 107 363 | 129 749 | 125 749 | 125 909 | 131 558 | 121 683 | 127 767 |
| 5. Growth and Development | 37 721 | 38 317 | 41 055 | 186 310 | 46 693 | 45 315 | 34 159 | 14 526 | 8 952 |
| Total | 411 205 | 557 733 | 623 448 | 878 315 | 708 472 | 667 134 | 712 151 | 707 768 | 708 506 |

Table 6.7 : Summary of payments and estimates by economic classification: Provincial Treasury

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 357 411 | 478 406 | 549 746 | 809 999 | 618 284 | 580 388 | 654 524 | 660 248 | 658 764 |
| Compensation of employees | 129 790 | 165 967 | 188 527 | 230 825 | 220 525 | 213 550 | 260 566 | 274 729 | 280 064 |
| Goods and services | 226 615 | 312 439 | 361 219 | 571 406 | 396 791 | 365 870 | 383 726 | 374 745 | 367 387 |
| Interest and rent on land | 1 006 | - | - | 7 768 | 968 | 968 | 10 232 | 10 774 | 11 313 |
| Transfers and subsidies to: | 49 743 | 73 405 | 67 171 | 57 498 | 78 270 | 76 860 | 51 636 | 42 977 | 44 969 |
| Provinces and municipalities | 31 264 | 28 026 | 21 983 | 13 522 | 32 120 | 32 077 | 10 318 | 244 | 256 |
| Departmental agencies and accounts | 17 337 | 35 775 | 41 881 | 39 276 | 39 276 | 39 276 | 32 532 | 34 255 | 35 968 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | 1 000 | 1 000 | 3 150 | 3 150 | 3 150 |
| Households | 1 142 | 9 604 | 3 307 | 4 700 | 5 874 | 4 507 | 5 636 | 5 328 | 5 595 |
| Payments for capital assets | 3 819 | 5 909 | 6 114 | 10 818 | 11 918 | 9 886 | 5 991 | 4 543 | 4 773 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 3 294 | 5 515 | 6 114 | 10 818 | 11 918 | 9 886 | 5 991 | 4 543 | 4 773 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 525 | 394 | - | - | - | - | - | - | - |
| Payments for financial assets | 232 | 13 | 417 | - | - | - | - | - | - |
| Total | 411 205 | 557 733 | 623 448 | 878 315 | 708 472 | 667 134 | 712 151 | 707 768 | 708 506 |

The department shows a fluctuating trend over the seven-year period.

The increase from 2011/12 to 2012/13 against Programme 1: Administration pertained largely to the reprioritisation of funds from other programmes in Vote 6 to assist OTP with the payment of bursaries for non-employees, as per a Cabinet decision, as well as the reconfiguration of office space at Treasury House and Nomalanga Building. The increase from 2013/14 to the 2014/15 Main Appropriation was due to inflationary increments, higher than anticipated salary costs, OSS initiatives, and legal fees, as well as provision towards the Thuthuka Bursary Fund. The increase from the 2014/15 Main to the Adjusted Appropriation relates to additional funding allocated to cater for the ex-MEC for Finance's severance package. The increase over the 2015/16 MTEF shows inflationary growth.

The substantial increase from 2011/12 to 2012/13 against Programme 2: Fiscal Resource Management is related to an increase in the number of assignments in respect of the MSP (to assist municipalities with their financial management activities), that could not be implemented in 2011/12. The increase in 2012/13 and 2013/14 related mainly to the continued implementation of the MSP, as well as spending on the Infrastructure Crack Team. The increase from 2013/14 to the 2014/15 Main Appropriation is due to once-off additional funding for the Infrastructure Crack Team and IDIP TAs. The decrease from the 2014/15 Main to the Adjusted Appropriation pertains to the Infrastructure Crack Team being involved in fewer projects than initially anticipated, enhanced financial controls, and savings declared on the MSP, due to delays emanating from unresolved disputes with the service provider. The savings were surrendered to the Provincial Revenue Fund. The substantial decrease from 2016/17 to 2017/18 pertains to the non-continuation of IDIP TAs in 2017/18. Provincial Treasury was allocated once-off additional funds in respect of IDIP TAs (allocated over three-years in line with project requirements) when the 2014/15 MTEF budget was prepared. This meant that the funding would not be provided beyond 2016/17 and, as such, these amounts were removed from the department's baseline in 2017/18.

The substantial increase against Programme 3: Financial Management from 2011/12 to 2012/13 included increases in MBAT, contract management and Operation Clean Audit initiatives, as well as the administrative requirements of the horse racing regulator which was merged into the KZNGBB. The increase from 2012/13 to the 2014/15 Main Appropriation resulted from a once-off allocation for the e-Procurement Tool, contract management, the take-over of McCord Hospital, and Operation Clean Audit initiatives. The decrease in the 2014/15 Adjusted from the Main Appropriation is mainly due to funds that were surrendered to the Provincial Revenue Fund as projected spending in respect of SCM projects, such as MBAT and the B-BBEE verification, was lower than anticipated, as well as the non-filling of vacant posts. The decrease from the 2014/15 Adjusted Appropriation to 2015/16 pertains to the once-off

additional funding allocated in 2014/15 for Msunduzi electricity-related developments, GRAP training for municipalities, Health Asset Register, Education capped-leave, and to assist municipalities with their AFS. The decrease from 2016/17 to 2017/18 is due to the non-continuation of Operation Clean Audit, Operation Pay-on-Time and contract management, as these were only allocated additional funding for a limited time, in line with project requirements.

Programme 4: Internal Audit shows an increase from 2011/12 to 2012/13 due to the department receiving a roll-over of R10.562 million for consultants' fees in respect of Risk Management facilitation workshops and training, forensic investigations, conducting IT risk assessments on the BAS system, and the development of the BCP and DRP guidelines. The increase from 2012/13 to 2013/14 is due to once-off additional funding for Operation Clean Audit initiatives and an increase in forensic investigations. The substantial increase from 2013/14 to the 2014/15 Main Appropriation is mainly attributed to once-off additional funding for Operation Clean Audit initiatives, such as special assignments, and an increase in forensic investigations. The decrease from the 2014/15 Main to the Adjusted Appropriation pertains to funds surrendered to the Provincial Revenue Fund as a result of delays in the filling of posts emanating from lengthy recruitment processes. The fluctuations over the 2015/16 MTEF can be ascribed to once-off additional funding allocated for special audits and additional forensic investigations in 2015/16.

In respect of Programme 5: Growth and Development, spending in 2011/12 to 2013/14 relates mainly to the development of the Pietermaritzburg, Prince Mangosuthu Buthelezi, Margate and Richards Bay airports, various air shows, Shayamoya eco-complex and a light industrial park at Bhongweni, as well as the feasibility study of the government office precinct project. The substantial increase from 2013/14 to the 2014/15 Main Appropriation is due to the largely once-off allocations for Strategic Cabinet Initiatives, rural development projects, Msunduzi electricity-related developments, Shayamoya eco-complex and a light industrial park at Bhongweni. The 2014/15 Adjusted Appropriation shows a decrease from the Main Appropriation, as the Strategic Cabinet Initiatives funding was suspended to respective departments for various events, and the rural development projects were moved to COGTA for the Small Town Rehabilitation programme, following Cabinet approval. The budget over the 2015/16 MTEF includes budget road shows (2015/16, 2016/17 and 2017/18), finalisation of the Shayamoya eco-complex (2015/16 only), a light industrial park at Bhongweni (2015/16 only), and provisions for IALCH floor repairs (2015/16 and 2016/17).

The increase against *Compensation of employees* from 2011/12 to 2012/13 was due to the lifting of the moratorium on the filling of vacant posts. The department budgeted for the full organisational structure from 2014/15. As of 2014/15, the department made provision for salaries for contract personnel that will be working on certain departmental projects, such as TAs working on IDIP, contract management, etc. The decrease from the 2014/15 Main to the Adjusted Appropriation and further in the Revised Estimate is a result of delays in the filling of posts due to lengthy recruitment processes, and the difficulty in finding suitably qualified candidates.

The increase against *Goods and services* from 2011/12 to 2013/14 was mainly due to increased spending on MBAT, contract management, the Infrastructure Crack Team, and Operation Clean Audit initiatives, MSP project, an increase in forensic investigations, etc., and the reconfiguration of office space at Treasury House and Nomalanga Building. The decrease from the 2014/15 Main to the Adjusted Appropriation is in respect of the suspension of Strategic Cabinet Initiatives funding which was allocated to various departments for various events, and rural development projects, as mentioned. The decreasing trend over the 2015/16 MTEF pertains to the reduction in the number of consultants to be used for forensic investigations, IDIP TAs, SCM, contract management, Operation Pay-on-Time, Operation Clean Audit, etc. Also, contributing to the decrease is the finalisation of the IALCH floor repairs, the removal of the Strategic Cabinet Initiatives Fund (over all three-years of the MTEF), and the non-continuation of the e-Procurement Tool, as mentioned.

The expenditure against *Interest and rent on land* in 2011/12 relates to interest paid by the province. There was no expenditure in 2012/13 and 2013/14 as a result of the improvement in the provincial cash balances. The improvement in the provincial cash balances resulted in a lower interest provision, hence the decrease from the 2014/15 Main to the Adjusted Appropriation. The increase over the MTEF is inflationary related, and provides for interest payments in the event that the province goes back into overdraft.

The expenditure reflected against *Transfers and subsidies to: Provinces and municipalities* in 2011/12 to 2013/14 was for the development of the Pietermaritzburg, Prince Mangosuthu Buthelezi and Richards Bay airports, motor vehicle licence fees, and donations to municipalities in respect of the provision of school uniforms, etc. The increase in the 2014/15 Adjusted from the Main Appropriation was due to a roll-over from 2013/14, for the development of a light industrial park at Bhongweni and the Shayamoya eco-complex. The allocation in the 2014/15 Main Appropriation and in 2015/16 is in respect of the payment of motor vehicle licences, as well as a provision for once-off special infrastructure projects which include Msunduzi electricity-related developments (2014/15 only), the development of a light industrial park at Bhongweni, the Shayamoya eco-complex, and donations to municipalities. The budget in 2016/17 and 2017/18 pertains only to the payment of motor vehicle licence fees and donations to municipalities.

Transfers and subsidies to: Departmental agencies and accounts relates to transfers made to the KZNGBB, as explained in detail under Section 5.7 below.

In the 2014/15 Adjusted Appropriation, an amount of R1 million was allocated to *Transfers and subsidies to: Non-profit institutions* for the Financial Literacy Project (FLP), which is now an independent entity. This project was initiated by the MEC for Finance with the aim of educating the citizens of KZN about using their money wisely and also on various aspects such as encouraging savings and financial discipline. Funds of R3.150 million have been budgeted towards the FLP over each year of the 2015/16 MTEF. This increase in transfer from 2015/16 onward is due to the fact that the FLP was only formed in the latter half of 2014/15, and transfers were only made for one quarter, hence the substantial increase from 2014/15 to 2015/16.

Transfers and subsidies to: Households caters for staff exits, as well as bursaries for non-employees, and the Thuthuka Bursary Fund. The major fluctuations can be ascribed to the difficulty in budgeting for this category due to its uncertain nature. The substantial increase in 2012/13 was a result of a Cabinet decision to assist OTP with bursaries for non-employees. The decrease from 2012/13 to 2013/14 is ascribed to the decentralisation of external bursaries to OTP. The increase from the 2014/15 Main to Adjusted Appropriation pertains to the payment of the ex-MEC for Finance's severance package and the payment of leave gratuities that were higher than anticipated. Following a Cabinet decision, the bursaries budget which was previously centralised under OTP, is now being decentralised back (over the 2015/16 MTEF) to all the departments from which the budget was previously moved.

Machinery and equipment is purchased on a cyclical basis, hence the fluctuating trend against this category. The increase in 2012/13 and 2013/14 relates to the upgrade of the server refresher hardware in respect of the department's computer network system. The 2014/15 Main Appropriation pertains mainly to the upgrade of the biometric servers and for the reconfiguration at Treasury House. The increase from the 2014/15 Main to Adjusted Appropriation is due to the purchase of departmental vehicles.

The expenditure against *Software and other intangible assets* in 2011/12 pertained to the purchase of a network management software system, as well as open text licences for the Enterprise Content Management (ECM) system. The spending in 2012/13 was for the procurement of an internet connector licence required to connect external departments to the Business Process Mapping (BPM) processors.

Payments for financial assets relates to the write-off of staff debts, such as the breach of bursary contracts. The amount in 2011/12 relates to the Soccerex receivables, which were deemed irrecoverable, and in 2012/13 and 2013/14 the amounts relate to the write-off of staff debts.

5.4 Summary of conditional grant payments and estimates – Nil

5.5 Summary of infrastructure payments and estimates

Table 6.8 below summarises the infrastructure payments and estimates relating to the department.

The infrastructure budget of the department is placed solely against *Infrastructure transfers: Capital*, as is evident in the table below.

Table 6.8 : Summary of infrastructure payments and estimates by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Existing infrastructure assets | - | - | - | - | - | - | - | - | - |
| Maintenance and repair: Current | - | - | - | - | - | - | - | - | - |
| Upgrades and additions: Capital | - | - | - | - | - | - | - | - | - |
| Refurbishment and rehabilitation: Capital | - | - | - | - | - | - | - | - | - |
| New infrastructure assets: Capital | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers | 31 264 | 28 012 | 21 085 | 13 500 | 31 883 | 31 883 | 10 062 | - | - |
| Infrastructure transfers: Current | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Capital | 31 264 | 28 012 | 21 085 | 13 500 | 31 883 | 31 883 | 10 062 | - | - |
| Infrastructure: Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure: Leases | - | - | - | - | - | - | - | - | - |
| Total | 31 264 | 28 012 | 21 085 | 13 500 | 31 883 | 31 883 | 10 062 | - | - |
| Capital infrastructure | 31 264 | 28 012 | 21 085 | 13 500 | 31 883 | 31 883 | 10 062 | - | - |
| Current infrastructure | - | - | - | - | - | - | - | - | - |

The spending of R31.264 million and R28.012 million in 2011/12 and 2012/13, respectively, relates to the upgrading of the Pietermaritzburg, Richards Bay and Prince Mangosuthu Buthelezi airports.

The 2013/14 spending of R21.085 million includes spending on the Pietermaritzburg, Prince Mangosuthu Buthelezi and Margate airports which were completed in 2013/14, the Shayamoya eco-complex and a light industrial park at Bhongweni.

The allocation of R13.500 million in the 2014/15 Main Appropriation comprises R8 million for a light industrial park at Bhongweni and R5.500 million for Msunduzi electricity-related projects. The substantial increase from the 2014/15 Main to Adjusted Appropriation is attributed to a roll-over of R18.383 million for the Shayamoya eco-complex (R13.062 million) and a light industrial park at Bhongweni (R5.321 million). Funds were not spent on these projects in 2013/14 due to:

- Delays in the appointment of a service provider for a light industrial park, resulting from delays in the tender process, and subsequent appeals that were lodged upon appointment of a service provider.
- The construction of the Shayamoya eco-complex could not be completed as a result of the value of the tender being above the allocated budget for this project, which ultimately caused delays in the finalisation of the commencement of the project.

The 2015/16 allocation includes R2.062 million for the Shayamoya eco-complex and R8 million for a light industrial park at Bhongweni, in respect of a roll-over from 2013/14 due to delays in both projects, as explained above. There is no budget allocated over the outer years of the MTEF, due to the fact that both infrastructure projects in Kokstad are anticipated to be completed by the end of 2015/16.

5.6 Summary of Public Private Partnerships – Nil

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

Provincial Treasury exercises oversight over one public entity, namely the KZNGBB. Table 6.9 illustrates transfers made to this public entity over the seven years under review. Financial summaries received from the KZNGBB are given in *Annexure – Vote 6: Provincial Treasury*.

Table 6.9 : Summary of departmental transfers to public entities

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| KwaZulu-Natal Gaming and Betting Board | 17 337 | 35 775 | 41 881 | 39 276 | 39 276 | 39 276 | 32 532 | 34 255 | 35 968 |
| Total | 17 337 | 35 775 | 41 881 | 39 276 | 39 276 | 39 276 | 32 532 | 34 255 | 35 968 |

The main objective of the KZNGBB is to ensure that all gambling authorised in terms of the KZN Gaming and Betting Act is conducted in a manner that promotes the integrity of the horse racing, betting and gaming industry. In addition, the Board promotes the province's objective to develop the industry as a vehicle for the promotion of tourism, employment creation and economic development. The increase in

2012/13 can be ascribed to additional funding in respect of the merger of the horse racing regulator into the KZNGBB. In 2013/14, there was once-off additional funding of R4.450 million for a new IT system. The decrease from 2014/15 to 2015/16 is attributed to the fiscal consolidation exercise undertaken by Provincial Treasury in terms of which potential areas of savings were identified, such as board fees, subsistence and travel and consultant costs, among others. Hence transfers to the entity were decreased over the 2015/16 MTEF.

5.8 Transfers to other entities

Table 6.10 gives a summary of departmental transfers to other entities, details of which are given below.

Table 6.10 : Summary of departmental transfers to other entities

| R thousand | Sub-programme | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|------------------------------|------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Financial Literacy Programme | 1.1. Office of the MEC | - | - | - | - | 1 000 | 1 000 | 3 150 | 3 150 | 3 150 |
| Total | | - | - | - | - | 1 000 | 1 000 | 3 150 | 3 150 | 3 150 |

In the 2014/15 Adjusted Appropriation, an amount of R1 million was allocated to the department for the FLP, which is now an independent entity. This project was initiated by the MEC for Finance with the aim of educating the citizens of KZN about using their money wisely and also on various aspects such as encouraging savings and financial discipline. Funds of R3.150 million have been budgeted towards the FLP over each year of the 2015/16 MTEF. This increase in transfer from 2015/16 onward is due to the fact that the FLP was only formed in the latter half of 2014/15, and transfers were only made for one quarter, hence the substantial increase from 2014/15 to 2015/16.

5.9 Transfers to local government

Tables 6.11 and 6.12 provide a summary of transfers to local government. It is noted that *Transfers to local government* include funds in respect of motor vehicle licences. However, these funds will not be transferred to any municipality and, hence, the amounts are not reflected in Tables 6.11 and 6.12. The details are presented in the *Annexure – Vote 6: Provincial Treasury*.

Table 6.11 : Summary of departmental transfers to local government by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|------------|------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Category A | - | - | - | - | - | - | - | - | - |
| Category B | 21 249 | 8 351 | 19 365 | 13 500 | 32 098 | 32 055 | 10 062 | - | - |
| Category C | 10 015 | 19 661 | 2 605 | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | 233 | 220 | 231 |
| Total | 31 264 | 28 012 | 21 970 | 13 500 | 32 098 | 32 055 | 10 295 | 220 | 231 |

Table 6.12 : Summary of departmental transfers to local government by grant name

| R thousand | Sub-programme | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------------------|-----------------------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|------------|------------|
| | | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Donations | 1.1/1.2 MEC/ HOD Office | - | - | 885 | - | 215 | 172 | 233 | 220 | 231 |
| Pietermaritzburg airport | 5.3.Special Infra. Projects | 17 790 | 574 | 16 186 | - | - | - | - | - | - |
| Prince Mangosuthu Buthelezi | 5.3.Special Infra. Projects | 10 015 | 19 661 | 596 | - | - | - | - | - | - |
| Richards Bay airport | 5.3.Special Infra. Projects | 3 459 | 7 777 | - | - | - | - | - | - | - |
| Margate airport | 5.3.Special Infra. Projects | - | - | 2 009 | - | - | - | - | - | - |
| Shayamoya eco-complex | 5.3.Special Infra. Projects | - | - | 615 | - | 13 062 | 13 062 | 2 062 | - | - |
| Development of light industrial | 5.3.Special Infra. Projects | - | - | 1 679 | 8 000 | 13 321 | 13 321 | 8 000 | - | - |
| Msunduzi electricity-related dev | 5.3.Special Infra. Projects | - | - | - | 5 500 | 5 500 | 5 500 | - | - | - |
| Total | | 31 264 | 28 012 | 21 970 | 13 500 | 32 098 | 32 055 | 10 295 | 220 | 231 |

Category B transfers provide for the development of the Pietermaritzburg, Margate and Richards Bay airports, as well as donations made to municipalities for schools and old age homes in respect of OSS, and the development of the Shayamoya eco-complex and a light industrial park at Bhongweni. The R5.500 million in 2014/15 is for Msunduzi electricity-related developments.

Category C transfers relate solely to the development of the Prince Mangosuthu Buthelezi airport.

The category Unallocated from 2015/16 reflects anticipated donations to be made to municipalities, for school uniforms, etc., as part of OSS. These amounts are reflected as Unallocated because the recipients are only decided on in-year.

5.10 Transfers and subsidies

Table 6.13 below is a summary of spending on *Transfers and subsidies* by programme and main category. The table reflects a fluctuating trend from 2011/12 to 2017/18 for the category as a whole, details of which are provided below Table 6.13.

Table 6.13 : Summary of transfers and subsidies by programme and main category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 453 | 9 004 | 3 525 | 4 022 | 6 211 | 4 745 | 7 659 | 7 872 | 8 108 |
| Provinces and municipalities | - | 14 | 898 | 22 | 237 | 194 | 256 | 244 | 256 |
| Motor vehicle licences | - | 14 | 13 | 22 | 22 | 22 | 23 | 24 | 25 |
| Donations | - | - | 885 | - | 215 | 172 | 233 | 220 | 231 |
| Non-profit institutions | - | - | - | - | 1 000 | 1 000 | 3 150 | 3 150 | 3 150 |
| Financial Literacy Programme | - | - | - | - | 1 000 | 1 000 | 3 150 | 3 150 | 3 150 |
| Households | 453 | 8 990 | 2 627 | 4 000 | 4 974 | 3 551 | 4 253 | 4 478 | 4 702 |
| Employee social benefits | - | 387 | 70 | - | 974 | 974 | - | 213 | 424 |
| Bursaries (non-employee) | 453 | 8 603 | 2 557 | 4 000 | 4 000 | 2 577 | 4 253 | 4 265 | 4 278 |
| 2. Fiscal Resource Management | - | 23 | 66 | - | - | - | - | - | - |
| Households | - | 23 | 66 | - | - | - | - | - | - |
| Employee social benefits | - | 23 | 66 | - | - | - | - | - | - |
| 3. Financial Management | 18 026 | 36 337 | 42 374 | 39 976 | 40 176 | 40 072 | 33 865 | 35 055 | 36 808 |
| Departmental agencies and accounts | 17 337 | 35 775 | 41 881 | 39 276 | 39 276 | 39 276 | 32 532 | 34 255 | 35 968 |
| KZNGBB | 17 337 | 35 775 | 41 881 | 39 276 | 39 276 | 39 276 | 32 532 | 34 255 | 35 968 |
| Households | 689 | 562 | 493 | 700 | 900 | 796 | 1 333 | 800 | 840 |
| Employee social benefits | 689 | 562 | 493 | 700 | 900 | 796 | 1 333 | 800 | 840 |
| 4. Internal Audit | - | 29 | 121 | - | - | 160 | 50 | 50 | 53 |
| Households | - | 29 | 121 | - | - | 160 | 50 | 50 | 53 |
| Employee social benefits | - | 29 | 121 | - | - | 160 | 50 | 50 | 53 |
| 5. Growth and Development | 31 264 | 28 012 | 21 085 | 13 500 | 31 883 | 31 883 | 10 062 | - | - |
| Provinces and municipalities | 31 264 | 28 012 | 21 085 | 13 500 | 31 883 | 31 883 | 10 062 | - | - |
| Pietermaritzburg airport | 17 790 | 574 | 16 186 | - | - | - | - | - | - |
| Prince Mangosuthu Buthelezi airport | 10 015 | 19 661 | 596 | - | - | - | - | - | - |
| Richards Bay airport | 3 459 | 7 777 | - | - | - | - | - | - | - |
| Margate airport | - | - | 2 009 | - | - | - | - | - | - |
| Shayamoya eco-complex | - | - | 615 | - | 13 062 | 13 062 | 2 062 | - | - |
| Development of light industrial park | - | - | 1 679 | 8 000 | 13 321 | 13 321 | 8 000 | - | - |
| Msunduzi electricity-related developments | - | - | - | 5 500 | 5 500 | 5 500 | - | - | - |
| Total | 49 743 | 73 405 | 67 171 | 57 498 | 78 270 | 76 860 | 51 636 | 42 977 | 44 969 |

The category *Transfers and subsidies* fluctuates over the seven-year period, and include the following:

- *Households (Employee social benefits)* across all programmes caters for staff exit costs.
- The substantial increase against *Households (Bursaries: non-employee)* under Programme 1 in 2012/13 was a result of a Cabinet decision to assist OTP with bursaries for non-employees, as well as an allocation toward the Thuthuka Bursary Fund in 2013/14 which continues over the 2015/16 MTEF. The decrease from 2012/13 to 2013/14 is ascribed to the decentralisation of external bursaries to OTP. The department received additional funding for the Thuthuka Bursary Fund of R4 million in 2013/14 and 2014/15, and has continued to budget for this over the 2015/16 MTEF (R4 million in each year). The bursaries budget was decentralised back to departments in 2015/16 as per a Cabinet decision, explaining the allocation over the 2015/16 MTEF. The amount of R974 000 in the 2014/15 Adjusted Appropriation is to cater for the exit package for the former MEC for Finance.
- *Provinces and municipalities* in Programme 1 includes motor vehicle licence fees, and donations made (from 2013/14) to municipalities for school uniforms, etc., as part of OSS.
- The amounts of R1 million in the 2014/15 Adjusted Appropriation, and R3.150 million in each year of the 2015/16 MTEF, against *Non-profit institutions* in Programme 1, are in respect of the FLP

(which is now a stand-alone entity). The transfer to this entity increased in 2015/16 due to the fact that the FLP was only formed in the latter half of 2014/15, as mentioned previously.

- *Departmental agencies and accounts* against Programme 3 are in respect of the transfers to the KZNGBB. From 2012/13 onward, the budget includes additional funding for the merger of the horse racing regulator into the KZNGBB. The increase from 2012/13 to 2013/14 is due to once-off additional funding for the KZNGBB IT system. The decrease from 2014/15 to 2015/16 is attributed to the fiscal consolidation exercise undertaken by Provincial Treasury in terms of which potential areas of savings were identified, such as board fees, subsistence and travel and consultant costs, among others. Hence transfers were decreased to the entity over the 2015/16 MTEF.
- *Provinces and municipalities* against Programme 5 includes the following:
 - o Amounts from 2011/12 to 2013/14 include allocations toward the development of the Pietermaritzburg, Prince Mangosuthu Buthelezi, Richards Bay and Margate (2013/14 only) airports. Further, allocations are made for the development of a light industrial park at Bhongweni (2013/14 to 2015/16) and the Shayamoya eco-complex (2013/14 to 2015/16).
 - o Amounts in 2014/15 and 2015/16 relate to the development of a light industrial park at Bhongweni, the Shayamoya eco-complex, and Msunduzi electricity-related developments.

6. Programme description

The services rendered by the department are categorised under five programmes, which are discussed below. The expenditure and budgeted estimates for each programme are summarised in terms of sub-programmes and economic classification. Details are given in *Annexure – Vote 6: Provincial Treasury*.

6.1 Programme 1: Administration

The purpose of this programme is to provide strategic support services in terms of financial management, human resources, auxiliary services, information communication and technology, and legal services.

This programme consists of four sub-programmes, namely Office of the MEC, Head of Department, Chief Financial Office and Corporate Services. The main services under this programme are as follows:

- To support the Executive Authority in providing strategic and political direction to provincial departments, public entities, as well as municipalities.
- To provide the MEC with technical support on the appropriation of revenue, to ensure equitable distribution among provincial departments.
- To render financial and supply chain management functions to the department.
- To provide human resource management functions to the department.
- To render legal professional guidance in operational matters of the department.
- To deliver auxiliary services to the department, such as the telecom system, transport fleet management and control of registry.

Tables 6.14 and 6.15 below provide a summary of payments and budgeted estimates pertaining to the programme over the seven-year period from 2011/12 to 2017/18. As reflected in the table, some sub-programmes show a steady increase over the seven-year period, while others reflect fluctuating trends.

Table 6.14 : Summary of payments and estimates by sub-programme: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---------------------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Office of the MEC | 18 522 | 22 680 | 23 465 | 28 612 | 25 536 | 23 504 | 29 768 | 31 345 | 32 912 |
| 2. Head of Department | 5 739 | 6 808 | 6 669 | 9 150 | 9 150 | 8 378 | 9 486 | 9 989 | 10 489 |
| 3. Chief Financial Office | 17 289 | 13 729 | 17 441 | 26 382 | 24 382 | 23 811 | 28 687 | 30 560 | 32 089 |
| 4. Corporate Services | 38 811 | 54 688 | 49 357 | 53 194 | 59 244 | 56 330 | 55 148 | 58 023 | 60 923 |
| Total | 80 361 | 97 905 | 96 932 | 117 338 | 118 312 | 112 023 | 123 089 | 129 917 | 136 413 |

Table 6.15 : Summary of payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 78 484 | 87 232 | 91 313 | 111 174 | 108 859 | 104 811 | 113 133 | 119 425 | 125 552 |
| Compensation of employees | 35 936 | 43 763 | 49 660 | 62 919 | 57 519 | 57 013 | 68 415 | 73 216 | 76 877 |
| Goods and services | 42 548 | 43 469 | 41 653 | 48 255 | 51 340 | 47 798 | 44 718 | 46 209 | 48 675 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 453 | 9 004 | 3 525 | 4 022 | 6 211 | 4 745 | 7 659 | 7 872 | 8 108 |
| Provinces and municipalities | - | 14 | 898 | 22 | 237 | 194 | 256 | 244 | 256 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | 1 000 | 1 000 | 3 150 | 3 150 | 3 150 |
| Households | 453 | 8 990 | 2 627 | 4 000 | 4 974 | 3 551 | 4 253 | 4 478 | 4 702 |
| Payments for capital assets | 1 424 | 1 669 | 2 073 | 2 142 | 3 242 | 2 467 | 2 297 | 2 620 | 2 753 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 1 424 | 1 669 | 2 073 | 2 142 | 3 242 | 2 467 | 2 297 | 2 620 | 2 753 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | 21 | - | - | - | - | - | - |
| Total | 80 361 | 97 905 | 96 932 | 117 338 | 118 312 | 112 023 | 123 089 | 129 917 | 136 413 |

The low spending in 2011/12 against the sub-programme: Office of the MEC was attributed to cost-cutting in areas such as advertising and stationery and printing, among others. The decrease from the 2014/15 Main to Adjusted Appropriation relates to the non-filling of posts emanating from lengthy recruitment processes and difficulty in finding suitably qualified candidates, as well as reduced spending on the printing and publication of documents. The increase over the 2015/16 MTEF is in respect of FLP, for which the department has budgeted R3.150 million per annum.

The sub-programme: Head of Department shows a steady increase over the seven-year period. The increase from 2013/14 to the 2014/15 Main Appropriation is due to the upgrading of posts. The 2015/16 MTEF shows inflationary growth.

The low spending in 2012/13 compared to 2011/12 against the sub-programme: Chief Financial Office is due to cost-cutting, unanticipated staff exits, as well as once-off spending on performance audits in 2011/12. The increase from 2012/13 to 2013/14 relates to the expansion of the CFO structure to cater for budget and reporting support staff, and internal control staff, higher than anticipated audit fees, and payments for legal fees that were committed in 2012/13, but only paid in 2013/14 due to the late receipt of invoices. The significant increase from 2013/14 to the 2014/15 Main Appropriation relates to the payment of legal fees. The decrease from the 2014/15 Main to Adjusted Appropriation is in respect of the non-filling of posts due to lengthy recruitment processes. The 2015/16 MTEF shows inflationary growth.

The sub-programme: Corporate Services shows a sharp increase from 2011/12 to 2012/13 due to the reconfiguration of the department's office space at Treasury House and Nomalanga Building, as well as an increase in property management costs. From 2013/14 onward, there is an additional allocation of R4 million towards the Thuthuka Bursary Fund. The increase from the 2014/15 Main to Adjusted Appropriation is due to the procurement of departmental vehicles, higher than anticipated property payments, and increased running costs of the departmental fleet. The 2015/16 MTEF shows inflationary growth.

Compensation of employees shows an increasing trend over the seven-year period. The increase from 2011/12 to 2012/13 was due to the lifting of the moratorium on the filling of vacant posts. The increase from 2012/13 to 2013/14 relates mainly to the expansion of the CFO structure to cater for budget and reporting support staff, and internal control staff. The decrease from the 2014/15 Main to Adjusted Appropriation is due to the non-filling of posts resulting from lengthy recruitment processes. The increase over the 2015/16 MTEF caters for the carry-through of previous wage agreements, and for the filling of vacant posts. This category caters for the full staff complement of the CFOs office's new structure.

The slight decrease in *Goods and services* from 2012/13 to 2013/14 relates to cost-cutting on stationery and printing, and subsistence and travel costs. The substantial increase from 2013/14 to the 2014/15 Main Appropriation relates to OSS initiatives (this initiative aims to improve the daily lives of the people of KZN, through donations to previously disadvantaged schools in the form of school uniforms, old age homes, etc.), legal fees, and the reconfiguration at Treasury House and Nomalanga Building. The increase from the 2014/15 Main to Adjusted Appropriation is attributed to increased running costs of the departmental fleet, higher than anticipated property payments, and the reconfiguration at Treasury House. The decrease from the 2014/15 Adjusted Appropriation to 2015/16 is mainly in respect of costs relating to the reconfiguration at Treasury House (which is anticipated to be completed by the end of 2014/15), legal fees and enhanced financial control.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licence fees, and donations made to municipalities for school uniforms, etc., relating to OSS. The department did not receive invoices from the Department of Transport in 2011/12 for motor vehicle licences. The increase from the 2014/15 Main to Adjusted Appropriation relates to donations made to municipalities.

Transfers and subsidies to: Households caters for staff exits, the Thuthuka Bursary Fund (from 2013/14), and bursaries for non-employees. The substantial increase in 2012/13 was a result of a Cabinet decision to assist OTP with bursaries for non-employees. The decrease from 2012/13 to 2013/14 is ascribed to the decentralisation of external bursaries to OTP. The increase from the 2014/15 Main to Adjusted Appropriation is due to an amount of R974 000 being the ex-MEC for Finance's severance package. The previously centralised bursaries for non-employees has been decentralised back to departments over the 2015/16 MTEF in line with a Cabinet decision. The Thuthuka Bursary Fund is catered for over all three years of the 2015/16 MTEF, as mentioned previously.

The allocation in the 2014/15 Adjusted Appropriation against *Transfers and subsidies to: Non-profit institutions* in Programme 1 is in respect of the FLP. The department has budgeted R3.150 million towards this programme in each year of the 2015/16 MTEF.

The fluctuating trend over the period against *Machinery and equipment* can be attributed to the cyclical nature of this category. The increase in the 2014/15 Adjusted Appropriation is to cater for the procurement of departmental vehicles.

The amount in 2013/14 against *Payments for financial assets* was in respect of the write-off of staff debts.

6.2 Programme 2: Fiscal Resource Management

This programme consists of four sub-programmes, namely Programme Support, Economic Analysis, Public Finance and Municipal Finance.

The main purpose of the programme is to effectively manage and monitor the provincial and local government fiscal resources.

The objectives and services of this programme are as follows:

- To ensure targeted financial resource allocation and utilisation that contributes to improved service delivery.
- To ensure efficient budget and expenditure management and accurate financial reporting by provincial departments and public entities.
- To co-ordinate and enhance revenue collection for sustainable service delivery to the citizens.
- To provide a platform to enhance regional economic growth and development through quality research.

- To ensure efficient planning and management of infrastructure in the province.
- To ensure efficient budget and expenditure management and accurate financial reporting for the delegated municipalities in the province.
- To assist and provide technical support to delegated municipalities that are in financial distress in the province.

Tables 6.16 and 6.17 below provide a summary of payments and budgeted estimates pertaining to this programme for the period 2011/12 to 2017/18. This programme shows a fluctuating trend over the seven-year period, as explained in more detail below.

Table 6.16 : Summary of payments and estimates by sub-programme: Fiscal Resource Management

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Programme Support | 548 | 751 | 1 825 | 3 059 | 2 059 | 1 120 | 3 262 | 3 370 | 3 538 |
| 2. Economic Analysis | 4 166 | 19 499 | 37 544 | 34 527 | 26 527 | 24 831 | 24 951 | 25 915 | 18 811 |
| 3. Public Finance | 9 435 | 9 739 | 10 347 | 13 564 | 12 564 | 11 719 | 14 188 | 14 940 | 15 687 |
| 4. Municipal Finance | 18 131 | 46 881 | 41 488 | 58 973 | 45 873 | 38 922 | 61 166 | 64 381 | 67 600 |
| Total | 32 280 | 76 870 | 91 204 | 110 123 | 87 023 | 76 592 | 103 567 | 108 606 | 105 636 |

Table 6.17 : Summary of payments and estimates by economic classification: Fiscal Resource Management

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 31 778 | 76 716 | 90 510 | 109 857 | 86 757 | 76 239 | 103 166 | 108 320 | 105 336 |
| Compensation of employees | 21 191 | 30 283 | 37 038 | 44 755 | 44 755 | 45 562 | 59 892 | 60 947 | 55 594 |
| Goods and services | 10 587 | 46 433 | 53 472 | 65 102 | 42 002 | 30 677 | 43 274 | 47 373 | 49 742 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | - | 23 | 66 | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | 23 | 66 | - | - | - | - | - | - |
| Payments for capital assets | 374 | 131 | 425 | 266 | 266 | 353 | 401 | 286 | 300 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 374 | 131 | 425 | 266 | 266 | 353 | 401 | 286 | 300 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 128 | - | 203 | - | - | - | - | - | - |
| Total | 32 280 | 76 870 | 91 204 | 110 123 | 87 023 | 76 592 | 103 567 | 108 606 | 105 636 |

The sub-programme: Programme Support reflects a fluctuating trend over the seven-year period, due to posts becoming vacant, and difficulty in finding suitably qualified candidates. The significantly high spending in 2013/14 is due to the filling of posts, such as the SGM post.

The significant increase against the sub-programme: Economic Analysis from 2012/13 to the 2014/15 Main Appropriation pertains to additional funding for the Infrastructure Crack Team to assist departments and municipalities in the delivery of infrastructure projects, as well as additional funding for IDIP TAs (2014/15 only). The decrease from the 2014/15 Main to Adjusted Appropriation relates to the Infrastructure Crack Team being involved in fewer projects than initially anticipated. These funds were surrendered to the Provincial Revenue Fund. The decrease from the 2014/15 Adjusted Appropriation to 2015/16 is due to the non-continuation of additional funding for the Infrastructure Crack Team. The substantial decrease from 2016/17 to 2017/18 pertains to the removal of IDIP TAs in 2017/18. Provincial Treasury was allocated once-off additional funding for IDIP TAs (allocated over three years in line with project requirements) when the 2014/15 MTEF budget was prepared. This meant that the funding would not be provided beyond 2016/17.

The sub-programme: Public Finance shows a generally steady increase from 2011/12 to 2013/14. The increase from 2013/14 to the 2014/15 Main Appropriation included provision for the filling of vacant posts in line with the moratorium on the filling of non-critical posts. The decrease from the 2014/15 Main to Adjusted Appropriation is due to the implementation of financial controls. These funds were surrendered to the Provincial Revenue Fund. The 2015/16 MTEF shows inflationary growth.

The substantial increase against the sub-programme: Municipal Finance from 2011/12 to 2012/13 is from the number of assignments relating to the MSP (to assist municipalities with their financial management activities) that could not be implemented in 2011/12 due to delays in the appointment of service providers. The decrease in 2013/14 was due to non-payment of invoices emanating from unsatisfactory work done by service providers. The decrease from the 2014/15 Main to Adjusted Appropriation relates to the MSP being delayed due to unresolved disputes with the service provider. These funds were surrendered to the Provincial Revenue Fund. The 2015/16 MTEF includes a provision for the filling of vacant posts, as well as inflationary increments.

The increase against *Compensation of employees* from 2011/12 to 2013/14 is mainly due to the filling of posts. The increase in 2013/14 from 2012/13 relates to the filling of posts, including the appointment of the MSP Specialist. The slight decrease from the 2014/15 Main to Adjusted Appropriation is due to surrendering of funds to the Provincial Revenue Fund as a result of delays in the filling of some posts, because of lengthy recruitment processes. The increase from the 2014/15 Adjusted Appropriation onward relates to provision made for the filling of vacant posts, including SGM: Fiscal Resource Management, and inflationary increments.

The significantly low spending in 2011/12 against *Goods and services* relates to the slow implementation of the MSP due to delays in the appointment of service providers to assist municipalities with their financial management activities. The substantial increase in 2012/13 to the 2014/15 Main Appropriation pertains mainly to additional funding for the Infrastructure Crack Team to assist departments and municipalities in the delivery of infrastructure projects, as well as additional funding for IDIP TAs (2014/15 only), and an increase in the number of assignments relating to the MSP (2012/13 only). The decrease from the 2014/15 Main to the Adjusted Appropriation is due to fewer infrastructure projects being undertaken by the Infrastructure Crack Team, than were originally anticipated. Also, some projects, such as the MSP, were delayed due to unresolved disputes with the service provider. These funds were surrendered to the Provincial Revenue Fund. The 2015/16 MTEF allocations include funding for IDIP TAs, as well as the MSP to assist municipalities with their financial management activities. Funding for the Infrastructure Crack Team is once-off, hence the decrease in 2015/16. The decrease from 2016/17 to 2017/18 is due to the non-continuation of IDIP TAs from 2017/18, as explained previously.

Transfers and subsidies to: Households caters for staff exit packages.

The fluctuating trend against *Machinery and equipment* over the seven-year period results from the fact that machinery and equipment is purchased on a cyclical basis.

Expenditure against *Payments for financial assets* in 2011/12 and 2013/14 is in respect of the write-off of staff debts that were deemed irrecoverable.

Service delivery measures – Programme 2: Fiscal Resource Management

Table 6.18 below illustrates the service delivery measures pertaining to Programme 2.

Where a baseline was not established in 2014/15, the indicator is marked as “New” with targets set from 2015/16.

It should be noted that Provincial Treasury has no sector specific measures.

Table 6.18 : Service delivery measures – Programme 2: Fiscal Resource Management

| Outputs | Performance indicators | Estimated performance | | Medium-term targets | |
|---|--|---|--|---|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 1.1 Economic Analysis | | | | | |
| 1.1.1 | To determine and evaluate economic parameters and socio-economic imperatives to inform provincial and local resource allocation | <ul style="list-style-type: none"> To provide an economic analysis for the province | Produce 4 provincial dept. economic reports Produce 1 Socio-Economic Review and Outlook (SERO) Produce 1 Provincial Economic Review and Outlook (PERO) Produce 9 district socio-economic reports | Produce 4 provincial dept. economic reports Produce 1 SERO Produce 1 PERO Produce 9 district socio-economic reports | Produce 4 provincial dept. economic reports Produce 1 SERO Produce 1 PERO Produce 9 district socio-economic reports |
| | | <ul style="list-style-type: none"> To provide input to the Overview of Provincial Revenue and Expenditure (OPRE) | Input to OPRE on time for tabling | Input to OPRE on time for tabling | Input to OPRE on time for tabling |
| 1.1.2 | Provide a platform to enhancing regional economic growth and development | <ul style="list-style-type: none"> To provide quality research for regional policy analysis | Produce 4 economic research projects | Produce 5 economic research projects | Produce 6 economic research projects |
| 1.2 Infrastructure | | | | | |
| 1.2.1 | Efficient infrastructure planning and management in the province | <ul style="list-style-type: none"> Assessment report of User Asset Management Plans (U-AMPs) Reports on the implementation of the IDMS in KZN Reports on site visits conducted Progress reports on infrastructure budgets and delivery plans using IRM data Estimates of Provincial Revenue and Expenditure (EPRE) Reports on support to develop the prov Infrastructure Master Plan (IMP) KZN Reports on infrastructure funding mechanisms and opportunities to support the provincial fiscal framework | Compile a consolidated assessment report on the U-AMPs Produce 4 reports on implementation of IDMS in KZN Submit 4 reports on the site visits conducted Submit 4 reports on infrastructure expenditure in KZN Inputs into EPRE on time for tabling New New | Compile a consolidated assessment report on the U-AMPs Produce 4 reports on implementation of IDMS in KZN Submit 4 reports on the site visits conducted Submit 4 reports on infrastructure expenditure in KZN Input into EPRE on time for tabling Produce 4 reports on the support to develop prov IMP Produce 4 reports on the infrastructure mechanisms in the province | Compile a consolidated assessment report on the U-AMPs Produce 4 reports on implementation of IDMS in KZN Submit 4 reports on the site visits conducted Submit 4 reports on infrastructure expenditure in KZN Inputs into EPRE on time for tabling Produce 4 reports on the support to develop prov IMP Produce 4 reports on the infrastructure mechanisms in the province |
| 2. Public Finance | | | | | |
| 2.1 Provincial Budget Management | | | | | |
| 2.1.1 | Promote effective and optimal financial resource allocation for provincial government | <ul style="list-style-type: none"> No. of chapters in MTEC report EPRE on time for tabling AEPRE on time for tabling | 16 inputs completed 1 working day before MTEC as per budget process timetable EPRE on time for tabling AEPRE on time for tabling | 15 inputs completed 1 working day before MTEC as per budget process timetable EPRE on time for tabling AEPRE on time for tabling | 15 inputs completed 1 working day before MTEC as per budget process timetable EPRE on time for tabling AEPRE on time for tabling |
| 2.1.2 | Ensure efficient budget and expenditure management and accurate financial reporting for provincial govt. (incl. public entities) | <ul style="list-style-type: none"> Section 32 report (monthly provincial IYM report) Quarterly performance reports for departments | 12 reports p/a (submitted to NT by 22 nd monthly) 3 quarterly performance reports | 12 reports p/a (submitted to NT by 22 nd monthly) 3 quarterly performance reports | 12 reports p/a (submitted to NT by 22 nd monthly) 3 quarterly performance reports |
| 2.2 Provincial Own Revenue | | | | | |
| 2.2.1 | Promote optimal and sustainable revenue generation and collection by provincial depts and public entities | <ul style="list-style-type: none"> Conduct and co-ordinate quarterly Provincial Revenue Forums Monitoring of dept. revenue collection Revenue input into the publication of provincial budget documents | 4 forums per year 16 depts Revenue input into OPRE and EPRE on time for tabling | 4 forums per year 15 depts Revenue input into OPRE and EPRE on time for tabling | 4 forums per year 15 depts Revenue input into OPRE and EPRE on time for tabling |

Table 6.18 : Service delivery measures – Programme 2: Fiscal Resource Management

| Outputs | Performance indicators | Estimated performance | | Medium-term targets | |
|--|--|---|---|---|---|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 2.3 Special Advisory Support Services | | | | | |
| 2.3.1 Promote effective and optimal financial resource allocation for provincial govt. (including public entities) | <ul style="list-style-type: none"> Input into the revision and maintenance of DORA Institutionalise framework for monitoring of provincial public entities | <p>Input submitted by due date as set by NT</p> <p>Report bi-annually for all listed public entities</p> | <p>Input submitted by due date as set by NT</p> <p>Report bi-annually for all listed public entities</p> | <p>Input submitted by due date as set by NT</p> <p>Report bi-annually for all listed public entities</p> | <p>Input submitted by due date as set by NT</p> <p>Report bi-annually for all listed public entities</p> |
| 3. Municipal Finance | | | | | |
| 3.1 To ensure efficient budget and expenditure management and accurate financial reporting for local govt. | <ul style="list-style-type: none"> Section 71(6) report (Monthly municipal IYM report) within the prescribed time frame Section 71(7) quarterly budget performance reports | <p>12 Section 71(6) reports</p> <p>4 Section 71(7) quarterly budget performance reports, 45 days after end of quarter</p> | <p>12 Section 71(6) reports</p> <p>4 Section 71(7) quarterly budget performance reports, 45 days after end of quarter</p> | <p>12 Section 71(6) reports</p> <p>4 Section 71(7) quarterly budget performance reports, 45 days after end of quarter</p> | <p>12 Section 71(6) reports</p> <p>4 Section 71(7) quarterly budget performance reports, 45 days after end of quarter</p> |
| 3.2 To assist and provide technical support to delegated municipalities in financial distress | <ul style="list-style-type: none"> No. of municipalities supported by MSP | 8 municipalities to be supported through MSP | 8 municipalities to be supported through MSP | 8 municipalities to be supported through MSP | 8 municipalities to be supported through MSP |

6.3 Programme 3: Financial Management

This programme consists of seven sub-programmes, namely Financial Asset and Liability Management, Public Private Partnerships (PPPs), Supply Chain Management (SCM), Financial Reporting, Norms and Standards, Support and Interlinked Financial Systems and Gaming and Betting.

The purpose of this programme is to ensure effective and efficient management of physical and financial assets for provincial and local government. The main services undertaken by this programme are:

- To ensure the effective and efficient management of assets and implementation of PPP projects.
- To realise the effective and efficient acquisition of goods and services for provincial government and to secure sound SCM for local government.
- To optimise liquidity requirements and maximise returns within acceptable levels of risk for provincial government and to secure sound cash management for local government.
- To ensure that financial reporting provides a full and true reflection of the financial position of the province and municipalities as prescribed, inclusive of the accounting responsibilities related to the PMG and IGCC account.
- To develop and implement financial and associated governance norms and standards, in order to enhance performance orientated financial results and accountability in provincial departments and municipalities as prescribed.
- To implement and support transversal financial systems across the province and provide IT services to the department.
- To ensure a regulated gambling, gaming and betting industry.

Tables 6.19 and 6.20 provide a summary of payments and budgeted estimates pertaining to Programme 3.

The programme as a whole reflects an increasing trend over the period, as explained in detail below.

Table 6.19 : Summary of payments and estimates by sub-programme: Financial Management

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Financial Assets and Liability Management | 15 261 | 14 587 | 15 318 | 27 255 | 16 455 | 13 207 | 30 435 | 32 048 | 33 650 |
| 2. Public Private Partnerships | 3 021 | 3 251 | 5 238 | 7 592 | 6 592 | 5 955 | 7 871 | 8 288 | 8 703 |
| 3. Supply Chain Management | 27 862 | 41 667 | 43 333 | 70 614 | 65 314 | 62 343 | 64 341 | 64 562 | 56 765 |
| 4. Financial Reporting | 12 617 | 31 731 | 54 840 | 52 022 | 64 022 | 61 192 | 42 270 | 44 061 | 37 339 |
| 5. Norms and Standards | 3 857 | 3 543 | 3 776 | 5 327 | 4 327 | 4 101 | 5 668 | 5 968 | 6 266 |
| 6. Support and Interlinked Financial Systems | 102 176 | 117 315 | 118 482 | 127 853 | 129 853 | 117 584 | 131 642 | 138 619 | 145 550 |
| 7. Gaming and Betting | 20 880 | 39 393 | 45 907 | 44 132 | 44 132 | 42 913 | 37 551 | 39 490 | 41 465 |
| Total | 185 674 | 251 487 | 286 894 | 334 795 | 330 695 | 307 295 | 319 778 | 333 036 | 329 738 |

Table 6.20 : Summary of payments and estimates by economic classification: Financial Management

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 166 021 | 211 393 | 241 243 | 287 219 | 282 919 | 260 624 | 283 500 | 297 294 | 292 208 |
| Compensation of employees | 37 496 | 45 638 | 52 500 | 60 114 | 59 214 | 55 878 | 66 980 | 69 393 | 72 862 |
| Goods and services | 127 519 | 165 755 | 188 743 | 219 337 | 222 737 | 203 778 | 206 288 | 217 127 | 208 033 |
| Interest and rent on land | 1 006 | - | - | 7 768 | 968 | 968 | 10 232 | 10 774 | 11 313 |
| Transfers and subsidies to: | 18 026 | 36 337 | 42 374 | 39 976 | 40 176 | 40 072 | 33 865 | 35 055 | 36 808 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 17 337 | 35 775 | 41 881 | 39 276 | 39 276 | 39 276 | 32 532 | 34 255 | 35 968 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 689 | 562 | 493 | 700 | 900 | 796 | 1 333 | 800 | 840 |
| Payments for capital assets | 1 536 | 3 757 | 3 085 | 7 600 | 7 600 | 6 599 | 2 413 | 687 | 722 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 1 011 | 3 363 | 3 085 | 7 600 | 7 600 | 6 599 | 2 413 | 687 | 722 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 525 | 394 | - | - | - | - | - | - | - |
| Payments for financial assets | 91 | - | 192 | - | - | - | - | - | - |
| Total | 185 674 | 251 487 | 286 894 | 334 795 | 330 695 | 307 295 | 319 778 | 333 036 | 329 738 |

The decrease against the sub-programme: Financial Assets and Liability Management from 2011/12 to the 2014/15 Adjusted Appropriation resulted from the improvement in the level of funds available in the PMG and IGCC accounts, largely due to the collective implementation of cost-cutting by departments, and tight cashflow management therefore reducing the amount of interest paid on the overdraft. This had an effect on the amount of interest the province had to pay, as the province remains cash positive and, as such, is earning rather than paying interest. Also, there was a decrease in banking charges due to streamlining of the banking system. The increase in 2015/16 makes provision for interest and banking charges. The 2015/16 MTEF includes a provision for inflationary increments.

The low amounts against the sub-programme: Public Private Partnerships (PPPs) from 2011/12 to 2012/13 relate to the non-filling of vacant posts due to a lack of suitably qualified candidates, as well as the continued implementation of cost-cutting. In addition, the fact that the feasibility study of the government office precinct project was placed on hold also contributed to the low spending. The increased spending from 2012/13 to 2013/14 relates mainly to the filling of the General Manager post. The decrease from the 2014/15 Main to Adjusted Appropriation pertains to the non-filling of posts. The 2015/16 MTEF growth is inflationary related.

The significant increase against the sub-programme: Supply Chain Management from 2011/12 to 2012/13 relates to contract management, MBAT, and Operation Clean Audit. The increase from 2012/13 to the 2014/15 Main Appropriation was due to spending on the e-Procurement Tool, Operation Clean Audit, and contract management. The decrease from the 2014/15 Main to the Adjusted Appropriation is due to lower than anticipated budget requirements with regard to MBAT, as it met less frequently. Also, costs of the B-BBEE verification projects were lower than anticipated. These funds were surrendered to the Provincial Revenue Fund. The decrease from the 2014/15 Adjusted Appropriation to 2015/16 pertains to once-off

additional funds for the e-Procurement Tool given in 2014/15. The 2015/16 MTEF includes a provision for contract management, as well as SCM support interventions in departments and municipalities. The decrease from 2016/17 to 2017/18 relates to the non-continuation of additional funding for the e-Procurement Tool and contract management in 2017/18, in line with project requirements.

The substantial increase from 2011/12 to 2012/13 against the sub-programme: Financial Reporting is due to Operation Clean Audit in respect of the Municipal Development Programme (MDP) relating to the reconciliation of all provincial and municipal government accounts, and Operation Pay-on-Time which aims to improve payment of invoices by departments and to assist with the payment of arrear accounts to municipalities and service providers. The large increase from 2012/13 to 2013/14 relates to once-off special allocations for Operation Clean Audit. The increase from the 2014/15 Main to Adjusted Appropriation is due to once-off allocations for Operation Clean Audit, provision for GRAP training to municipalities, additional funds for Education capped leave, among others, thus explaining the decrease in 2015/16. The large decrease from 2016/17 to 2017/18 is mainly due to the removal of Operation Clean Audit and Operation Pay-on-Time in 2017/18, as these were only allocated funding for a limited period of time, in line with project requirements.

The sub-programme: Norms and Standards shows a generally steady increase from 2011/12 onward. The slight decrease in 2012/13 can be ascribed to unanticipated staff exits and cost-cutting. The increase from 2013/14 to the 2014/15 Main Appropriation relates to the filling of posts, such as support staff. The decrease from the 2014/15 Main to Adjusted Appropriation is due to delays in the filling of posts resulting from lengthy recruitment processes. The increase over the 2015/16 MTEF shows inflationary growth.

The sub-programme: Support and Interlinked Financial Systems includes costs relating to all transversal systems (such as BAS, PERSAL and HARDCAT, etc.) for the entire province. The substantial increase from 2011/12 to 2012/13 is due to the payment of the off-site Biometric Server Back-up System. The large increase from 2013/14 to the 2014/15 Main Appropriation is attributed to the anticipated upgrade of the biometric servers. The increase over the 2015/16 MTEF shows inflationary growth.

The sub-programme: Gaming and Betting shows a substantial increase from 2011/12 to 2012/13 due to the budget including additional funding for the merger of the horse racing regulator into the KZNGBB, which is being financed through additional revenue collected by the newly amalgamated entity. The increase in 2013/14 is due to additional funding for the new KZNGBB IT system. The decrease from 2014/15 to 2015/16 is attributed to the fiscal consolidation exercise undertaken by Provincial Treasury in terms of which potential areas of savings were identified, such as board fees, subsistence and travel and consultant costs, among others. Hence transfers were decreased to the entity over the 2015/16 MTEF.

The increase from 2011/12 to 2013/14 against *Compensation of employees* relates to the filling of posts in line with the moratorium, and appointments of staff such as the GM: PPP, deputy managers, assistant managers, administrative officers and clerks to assist on various projects, such as contract management, B-BBEE verification, Education capped-leave, Asset Management and administrative issues in respect of MBAT, etc. The increase from 2013/14 to the 2014/15 Main Appropriation is due the filling of support staff posts in the Norms and Standards sub-programme. The decrease from the 2014/15 Main to the Adjusted Appropriation relates to the non-filling of posts due to a lack of suitably qualified candidates. Over the MTEF, allowance is made for the full structure of the programme, and inflationary increments.

The substantial increase from 2011/12 to 2013/14 against *Goods and services* can be ascribed to Operation Clean Audit, the MDP, irregular expenditure project, asset management project, contract management, MBAT, and the take-over of McCord Hospital (Provincial Treasury is assisting the Department of Health with all transactions which have financial implications, including personnel, debt recovery, stock take, etc.). The substantial increase from the 2014/15 Main to Adjusted Appropriation relates to funds provided for financial management support to Vote 5: Education relating to Operation Clean Audit, and provision for GRAP training in support of municipalities. The substantial increase from 2015/16 to 2016/17 is mainly attributed to once-off additional funding allocated for contract management. The decrease from 2016/17 to 2017/18 is due to the non-continuation of additional funding for Operation Clean Audit, Operation Pay-on-Time and contract management, as these were only allocated additional funding for a limited time, in line with project requirements.

The transfers to the KZNGBB account for the amounts against *Transfers and subsidies to: Departmental agencies and accounts* from 2011/12 onward. From 2012/13 onward, the budget includes additional funding for the merger of the horse racing regulator into the KZNGBB, which is being financed through additional revenue collected by the amalgamated entity. The increase from 2012/13 to 2013/14 is due to once-off additional funding for the KZNGBB IT system. The decrease from 2014/15 to 2015/16 is attributed to the fiscal consolidation exercise undertaken by Provincial Treasury, as mentioned above.

Transfers and subsidies to: Households provides for the payment of staff exit costs. The increase from the 2014/15 Main to Adjusted Appropriation is due to higher than anticipated payments of leave gratuities. The increase over the 2015/16 MTEF includes provision for staff exits, and inflationary related increments.

Machinery and equipment is purchased on a cyclical basis, hence the fluctuating trend against this category. The increase in 2012/13 and 2013/14 related to the roll-out of phase 1 (2012/13) and phase 2 (2013/14) of the server refresher hardware for the upgrade of the department's computer network system. The amount reflected against 2014/15 will be utilised toward the upgrade of the biometric servers, accounting for the decrease over the 2015/16 MTEF.

The expenditure against *Software and other intangible assets* in 2011/12 relates to the once-off purchase of network management software, as well as open text licences for the ECM system. The spending in 2012/13 was for the procurement of an internet connector licence required to connect external departments to the BPM processors.

The amounts against *Payments for financial assets* in 2011/12 and 2013/14 relate to the write-off of irrecoverable debts.

Service delivery measures – Programme 3: Financial Management

Table 6.21 below illustrates the main service delivery measures for Programme 3. It should be noted that Provincial Treasury has no sector specific measures.

Table 6.21 : Service delivery measures – Programme 3: Financial Management

| Outputs | Performance indicators | Estimated performance | | Medium-term targets | |
|--|---|---|--|--|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 1. Financial Assets and Liability Management | | | | | |
| 1.1. To promote sound cash management practices and improve liquidity in the province and assist depts. and municipalities in attainment of a clean audit outcome for the province | <ul style="list-style-type: none"> Conduct tax information seminar annually Risk analysis per dept. to ensure compliance to tax legislation Provide quarterly assessment reports to depts. on status of bank related suspense accounts Review monthly bank reconciliations per dept Produce quarterly report on withdrawals from municipal bank accounts | 2 sessions 60 reports 60 assessment reports | 2 sessions 60 reports 60 assessment reports | 2 sessions 60 reports 60 assessment reports | 2 sessions 60 reports 60 assessment reports |
| 1.2. To promote sound asset management practices in provincial depts | <ul style="list-style-type: none"> No. of asset workshops and training sessions conducted | 4 seminars/training workshops | 1 asset training workshop and 4 Hardcat training workshops | 1 asset training workshop and 4 Hardcat training workshops | 1 asset training workshop and 4 Hardcat training workshops |
| 2. Public Private Partnerships (PPPs) | | | | | |
| 2.1. To provide technical, financial and legal advice in support of all provincial PPP projects in line with PPP project cycle as regulated by NT guidelines | <ul style="list-style-type: none"> No. of seminars/workshops conducted for provincial departments, public entities, municipalities and municipal entities No. of reports for Provincial Treasury, management and NT PPP unit Contract management reports on closed deal | 2 12 12 | 2 12 12 | 2 12 12 | 2 12 12 |

Table 6.21 : Service delivery measures – Programme 3: Financial Management

| Outputs | Performance indicators | Estimated performance | | Medium-term targets | | |
|----------------------------|--|---|--|--|--|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 3. Supply Chain Management | | | | | | |
| 3.1. | Support and monitor adherence of state institutions to SCM prescripts | <ul style="list-style-type: none">No. of SCM training sessions and information sessions conductedNo. of assessmentsNo. of reviews of the supplier registration formNo. of policies and practice notes reviewed and issued | <p>Conduct 4 training information sessions and workshops for state institutions</p> <p>4 SCM forums for depts and municipalities</p> <p>Conduct 60 SCM assessments in depts., municipalities, and public entities. Conduct compliance assessments and investigate complaints</p> <p>Reviews and update supplier registration form</p> <p>Review and update 4 practice notes</p> | <p>Conduct 4 training information sessions and workshops for state institutions</p> <p>4 SCM forums for depts and municipalities</p> <p>Conduct 60 SCM assessments in depts., municipalities, and public entities. Conduct compliance assessments and investigate complaints</p> <p>Reviews and update supplier registration form</p> <p>Review and update policies and practice notes</p> | <p>Conduct 4 training information sessions and workshops for state institutions</p> <p>4 SCM forums for depts and municipalities</p> <p>Conduct 60 SCM assessments in depts., municipalities, and public entities. Conduct compliance assessments and investigate complaints</p> <p>Reviews and update supplier registration form</p> <p>Review and update policies and practice notes</p> | |
| 4. Financial Reporting | | | | | | |
| 4.1. | To present fairly the consolidated financial position of the province | <ul style="list-style-type: none">Consolidated AFS for provincial depts and the provincial revenue fundConsolidated AFS for public entities tabled in Legislature | <p>Consolidated AFS for FY 13/14 tabled in Legislature by 30 November 2014</p> <p>Consolidated AFS for FY 13/14 tabled in Legislature by 30 November 2014</p> | <p>Consolidated AFS for FY 14/15 tabled in Legislature by 30 November 2015</p> <p>Consolidated AFS for FY 14/15 tabled in Legislature by 30 November 2015</p> | <p>Consolidated AFS for FY 15/16 tabled in Legislature by 30 November 2016</p> <p>Consolidated AFS for FY 15/16 tabled in Legislature by 30 November 2016</p> | |
| 4.2. | To fairly present the revenue fund of the province | <ul style="list-style-type: none">Annual Financial Statements for the Revenue Fund tabled in Legislature | <p>Revenue Fund AFS for FY 13/14 tabled in Legislature by 30 November 2014</p> | <p>Revenue Fund AFS for FY 14/15 tabled in Legislature by 30 November 2015</p> | <p>Revenue Fund AFS for FY 15/16 tabled in Legislature by 30 November 2016</p> | |
| 4.3. | To provide financial management support to departments, public entities and municipalities | <ul style="list-style-type: none">Provincial Audit Outcome analysis for municipalities, departments and public entitiesAFS support and training to provincial departmentsFinancial Management Monitoring Support to public entitiesFinancial Management Monitoring Support to municipalities | <p>Summary of Audit Outcome analysis on A-G's audit report for provincial depts and public entities by 31 August 2014</p> <p>Summary of Audit Outcome Analysis on A-G's audit report for municipalities by 31 January 2015</p> <p>1 AFS training workshop by 31 March 2015</p> <p>Pre-Audit review in 16 departments by 31 May 2014</p> <p>Pre-Audit review in 12 public entities by 31 May 2014</p> <p>1 AFS training workshop for 12 public entities by 31 March 2015</p> <p>1 AFS training workshop for 58 municipalities by 30 June 2014</p> <p>Pre-Audit review in 16 departments by 30 August 2014</p> <p>Progress reports on intensive on-site financial management support to 10 municipalities within 10 days every quarter end</p> | <p>Summary of Audit Outcome analysis on A-G's audit report for provincial depts and public entities by 31 August 2015</p> <p>Summary of Audit Outcome Analysis on A-G's audit report for municipalities by 31 January 2016</p> <p>1 AFS training workshop by 31 March 2016</p> <p>Pre-Audit review in 15 departments by 31 May 2015</p> <p>Pre-Audit review in 12 public entities by 31 May 2015</p> <p>1 AFS training workshop for 12 public entities by 31 March 2016</p> <p>1 AFS training workshop for 58 municipalities by 30 June 2015</p> <p>Pre-Audit review in 15 departments by 30 August 2015</p> <p>Progress reports on intensive on-site financial management support to 15 municipalities within 10 days every quarter end</p> | <p>Summary of Audit Outcome analysis on A-G's audit report for provincial depts and public entities by 31 August 2016</p> <p>Summary of Audit Outcome Analysis on A-G's audit report for municipalities by 31 January 2017</p> <p>1 AFS training workshop by 31 March 2017</p> <p>Pre-Audit review in 15 departments by 31 May 2016</p> <p>Pre-Audit review in 12 public entities by 31 May 2016</p> <p>1 AFS training workshop for 12 public entities by 31 March 2017</p> <p>1 AFS training workshop for 58 municipalities by 30 June 2016</p> <p>Pre-Audit review in 15 departments by 30 August 2016</p> <p>Progress reports on intensive on-site financial management support to 20 municipalities within 10 days every quarter end</p> | <p>Summary of Audit Outcome analysis on A-G's audit report for provincial depts and public entities by 31 August 2017</p> <p>Summary of Audit Outcome Analysis on A-G's audit report for municipalities by 31 January 2018</p> <p>1 AFS training workshop by 31 March 2018</p> <p>Pre-Audit review in 15 departments by 31 May 2017</p> <p>Pre-Audit review in 12 public entities by 31 May 2017</p> <p>1 AFS training workshop for 12 public entities by 31 March 2018</p> <p>1 AFS training workshop for 58 municipalities by 30 June 2017</p> <p>Pre-Audit review in 15 departments by 30 August 2017</p> <p>Progress reports on intensive on-site financial management support to 20 municipalities within 10 days every quarter end</p> |

Table 6.21 : Service delivery measures – Programme 3: Financial Management

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|---|---|---|--|---|---|---|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 5. Norms and Standards | | | | | | |
| 5.1. | Develop, review and facilitate the implementation of financial norms and standards in depts. municipalities and the respective entities | <ul style="list-style-type: none">No. of policies and practice notes developed and reviewed for depts. municipalities and their respective entities | 48 instruction notes and policies developed and/or reviewed based on needs analysis | 48 instruction notes and policies developed and/or reviewed based on needs analysis | 48 instruction notes and policies developed and/or reviewed based on needs analysis | 48 instruction notes and policies developed and/or reviewed based on needs analysis |
| 5.2. | Compliance monitoring and evaluation of financial norms and standards | <ul style="list-style-type: none">No. of departments assessed and monitored | All depts assessed and monitored | All depts assessed and monitored | All depts assessed and monitored | All depts assessed and monitored |
| 6. Supporting and Interlinked Financial Systems | | | | | | |
| 6.1. | Develop and implement Systems | <ul style="list-style-type: none">No. of initiatives implemented | 2 | 2 | 2 | 2 |
| 6.2. | Develop, review, implement and monitor dept. supporting information technology enabler policies and procedures | <ul style="list-style-type: none">No. of policy reviews completed | 4 | 4 | 4 | 4 |
| | | <ul style="list-style-type: none">No. of compliance reports completed | 12 | 12 | 12 | 12 |
| | | <ul style="list-style-type: none">No. of information sessions conducted | 4 | 4 | 4 | 4 |
| 6.3. | To ensure business continuity through management of IT network infrastructure, desktop and LAN support and network security | <ul style="list-style-type: none">Mean-time to resolve (MTTR) | 8 hr MTTR | 8 hr MTTR | 8 hr MTTR | 8 hr MTTR |
| | | <ul style="list-style-type: none">Percentage network uptime | 99% | 99% | 99% | 99% |
| 6.3. | Provide technical support for transversal systems | <ul style="list-style-type: none">MTTR (transversal systems) | 8-24 hr MTTR | 8-24 hr MTTR | 8-24 hr MTTR | 8-24 hr MTTR |
| 7. Gaming and Betting | | | | | | |
| 7.1. | Enhance the Gaming and Betting regulatory environment in KZN | <ul style="list-style-type: none">Amended KZN Gaming and Betting Legislation | The KwaZulu-Natal Gaming and Betting Amendment Bill 2014 to be presented to Cabinet Publication of legislation in Provincial Gazette | Implementation of the 2014 Act and amendment of Regulations | Implementation of the 2014 Act and amendment of Regulations | Review of the 2014 Act and amendment of Regulations |
| | | <ul style="list-style-type: none">Appointment of the new KZN Gaming and Betting Board | Nomination process for new Board in terms of the Act | New KZN Gaming and Betting Board appointed | New Board operational, filling of vacant posts within six months | Filling of vacant posts within six months Appointment of new Board |
| | | <ul style="list-style-type: none">No. of quarterly regulatory reports on service delivery, governance and compliance matters of Gaming Board activities | Analyse and report on quarterly reports received from the Board | Analyse and report on quarterly reports received from the Board | Analyse and report on quarterly reports received from the Board | Analyse and report on quarterly reports received from the Board |
| | | <ul style="list-style-type: none">Collected revenue | R572 704 000 | R600 313 000 | R668 126 000 | R841 079 000 |

6.4 Programme 4: Internal Audit

This programme consists of two sub-programmes, namely Assurance Services and Risk Management. The main purpose of the programme is to develop effective risk management strategies and governance, to build and maintain successful client relationships, to develop knowledge by creating a learning culture, and to build foundations for excellence to support the provincial government in achieving its objectives.

The following services are rendered by the unit:

- To conduct risk assessments on behalf of the Accounting Officers and Chief Executive Officers of provincial departments and public entities, develop comprehensive risk profiles and recommend improvements on significant risk exposures for each client.
- To review accounting and management processes and systems of internal control for efficiency and effectiveness in terms of their design and operation and provide recommendations for improvement.

- To develop, facilitate implementation and monitor integrated risk management strategies and fraud prevention strategies.
- To conduct forensic investigations and facilitate prosecution, perform misconduct enquiries and recovery in liaison with other state law enforcement agencies.
- To provide training and development programmes in areas such as risk management, strategy development and management, project management, design and improvement of systems of internal control, financial management and reporting, leadership, forensic investigations, governance, etc.
- To provide a consulting function as per requests by relevant MECs and Heads of Departments.
- To prepare special reviews on computerised systems and performance.

Tables 6.22 and 6.23 provide a summary of payments and budgeted estimates pertaining to Programme 4.

Table 6.22 : Summary of payments and estimates by sub-programme: Internal Audit

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-----------------------|-----------------|---------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Assurance Services | 40 738 | 54 050 | 59 033 | 69 885 | 67 885 | 70 008 | 69 989 | 65 275 | 68 539 |
| 2. Risk Management | 34 431 | 39 104 | 48 330 | 59 864 | 57 864 | 55 901 | 61 569 | 56 408 | 59 228 |
| Total | 75 169 | 93 154 | 107 363 | 129 749 | 125 749 | 125 909 | 131 558 | 121 683 | 127 767 |

Table 6.23 : Summary of payments and estimates by economic classification: Internal Audit

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 74 671 | 92 760 | 106 710 | 128 939 | 124 939 | 125 282 | 130 628 | 120 683 | 126 716 |
| Compensation of employees | 35 167 | 46 283 | 49 329 | 63 037 | 59 037 | 55 097 | 65 279 | 71 173 | 74 731 |
| Goods and services | 39 504 | 46 477 | 57 381 | 65 902 | 65 902 | 70 185 | 65 349 | 49 510 | 51 985 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | - | 29 | 121 | - | - | 160 | 50 | 50 | 53 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | 29 | 121 | - | - | 160 | 50 | 50 | 53 |
| Payments for capital assets | 485 | 352 | 531 | 810 | 810 | 467 | 880 | 950 | 998 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 485 | 352 | 531 | 810 | 810 | 467 | 880 | 950 | 998 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 13 | 13 | 1 | - | - | - | - | - | - |
| Total | 75 169 | 93 154 | 107 363 | 129 749 | 125 749 | 125 909 | 131 558 | 121 683 | 127 767 |

The sub-programme: Assurance Services reflects an increase from 2011/12 to 2012/13 in respect of specialised audit assignments undertaken in line with Operation Clean Audit. The increase from 2013/14 to the 2014/15 Main Appropriation pertains to once-off additional funding for special audits and forensic investigations. The slight decrease from the 2014/15 Main to Adjusted Appropriation is due to the non-filling of posts resulting from lengthy recruitment processes. These funds were surrendered to the Provincial Revenue Fund. The increase in 2015/16 can be attributed to a once-off provision for consultant fees for special audits in line with Operation Clean Audit, hence the decrease in 2016/17.

The sub-programme: Risk Management includes expenditure in respect of forensic investigations in various departments and initiatives such as fraud risk assessments, municipal financial capability assessments, workshops and training on risk management and internal control. The expenditure from 2011/12 to 2013/14 was attributed to an increase in forensic investigations due to commitments from the previous financial years for forensic investigations, as well as risk management facilitation workshops and

training. The decrease from the 2014/15 Main to Adjusted Appropriation relates to the non-filling of vacant funded posts emanating from lengthy recruitment processes. The savings were surrendered to the Provincial Revenue Fund. The increase in 2015/16 is due to once-off additional funding for forensic investigations in 2015/16, hence the decrease in 2016/17.

The substantial increase from 2011/12 to 2012/13 onward against *Compensation of employees* is mainly due to a change in SCOA classification which resulted in an increase in this category. In previous years, learners were paid under *Goods and services*. However, when SCOA Version 4 was implemented, learnerships were reclassified as *Compensation of employees*. The decrease from the 2014/15 Main to Adjusted Appropriation relates to the non-filling of posts due to lengthy recruitment processes. These savings were surrendered to the Provincial Revenue Fund. The substantial increase from 2015/16 to 2016/17 is to cater for the implementation of the revised structure of the unit.

The expenditure against *Goods and services* from 2011/12 onward can be attributed to performance audits, fraud risk assessments, municipal financial capability assessments, workshops, training on risk management and internal control, training and development programmes including learnerships, and forensic investigations. The high spending in 2012/13 is due to commitments from the previous financial year for specialised audit assignments, forensic investigations, risk management facilitation workshops and training, IT risk assessments on the BAS application system and the development of BCP and DRP guidelines. The increase from 2012/13 to 2013/14 pertains to higher than anticipated consultants' fees for specialised audit assignments, as well as the appointment of service providers to assist with risk management assignments at municipalities. The 2014/15 and 2015/16 allocations include once-off funds for specialised audit assignments in line with Operation Clean Audit, as well as forensic investigations, and this explains the decrease in 2016/17.

Transfers and subsidies to: Households caters for the payment of staff exit costs.

Machinery and equipment is for the purchase of equipment in respect of new staff appointments, and the replacement and upgrading of equipment. The fluctuating trend over the period is due to its cyclical nature.

The spending against *Payments for financial assets* pertains to the write-off of irrecoverable staff debts.

Service delivery measures – Programme 4: Internal Audit

Table 6.24 below illustrates the main service delivery measures for Programme 4.

Where a baseline was not established in 2014/15, the indicator is marked as “New” with targets set from 2015/16. It should be noted that Provincial Treasury has no sector specific measures.

Table 6.24 : Service delivery measures – Programme 4: Internal Audit

| Outputs | | Performance indicators | Estimated performance | Medium-term targets | | |
|-----------------------|--|---|-----------------------|---------------------|---------|---------|
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 1. Assurance Services | | | | | | |
| 1.1. | An efficient, effective and economical assurance service | • Internal audit operational plan and a rolling three-year strategic plan | 23 | 23 | 23 | 23 |
| | | • Annual audit and risk committee report on clients' areas of risk management, governance and internal control submitted to MEC for Finance | 1 | 1 | 1 | 1 |
| | | • Internal audit risk based and follow up audits conducted, including financial, IT, performance and governance audits | 160 | 160 | 160 | 160 |
| | | • Audits on predetermined objectives | 23 | 25 | 25 | 25 |
| 1.2. | Build and maintain client relationships | • Cluster audit and risk committee meetings with clients | 64 | 96 | 96 | 96 |
| 1.3. | Enhance capacity within and outside the unit | • Training and development programme | 16 | 16 | 16 | 16 |
| | | • Internal and/independent external Quality Assurance Review (QAR) report | 2 | 2 | 2 | 2 |

Table 6.24 : Service delivery measures – Programme 4: Internal Audit

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|---|--|-----------------------|---------------------|---------|---------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 2. Risk Management (Assurance Services) | | | | | | |
| 2.1. An efficient, effective and economical assurance service | • Risk registers updated for provincial depts., municipalities and public entities | 60 | 60 | 60 | 70 | |
| | • Risk policies, procedures and structures established for provincial depts., municipalities and public entities, and compliance with these monitored on a quarterly basis | New | 30 | 30 | 30 | |
| | • Occupational Health and Safety programmes established and rolled out to provincial depts., municipalities and public entities | New | 30 | 30 | 30 | |
| | • Governance frameworks developed and rolled-out to provincial depts. and public entities | New | 20 | 5 | 5 | |
| | • DPSA compliant IT governance framework, including BCP, developed and rolled-out to provincial depts., municipalities, and public entities | New | 40 | 40 | 40 | |
| | • Complex internal audit services/reviews provided to municipalities and municipal entities | New | 15 | 15 | 15 | |
| | • Internal audit practices of municipalities and municipal entities conforming to the requirements of the institute of internal auditors | New | 10 | 15 | 20 | |
| | • Risk and governance-related conferences/forums held for provincial depts., municipalities, and public entities | 4 | 5 | 5 | 5 | |
| | • Best risk management/governance guidelines/transversal risk policies produced by the unit | New | 3 | 3 | 4 | |
| | • Risk Management Information System developed and rolled-out to provincial depts., municipalities, and public entities | New | 10 | 20 | 40 | |
| | • Review and development of fraud prevention strategies for provincial depts., municipalities, and public entities | 15 | 40 | 60 | 70 | |
| | • Risk/governance – related training/awareness per provincial depts., municipality, and public entity | 10 | 30 | 30 | 30 | |
| 3. Risk Management (Forensic Services) | | | | | | |
| 3.1 To promote a culture of zero tolerance for fraud and corruption | • No. of forensic audits performed and investigations as per clients' requests and referrals from the Assurance team | 25 | 35 | 35 | 40 | |
| | • Updated register of forensic investigations – MEC report | 4 | 4 | 4 | 4 | |
| | • No. of follow-ups on completed investigations per institution | 16 | 100 | 100 | 100 | |
| | • Development and roll-out of fraud case management system | New | 1 | 0 | 0 | |
| | • Update the fraud case management system with forensic investigations per provincial dept. | New | 15 | 15 | 15 | |

6.5 Programme 5: Growth and Development

Programme 5 consists of four sub-programmes, namely Budget Communication, Special Infrastructure Projects, Strategic Cabinet Initiatives and Air Shows/Special Projects.

It includes road shows, the feasibility studies for the government office precinct project, special initiatives approved by Cabinet, as well as infrastructure projects such as the development of the Pietermaritzburg, Prince Mangosuthu Buthelezi, Richards Bay and Margate airports.

Tables 6.25 and 6.26 illustrate the payments and budgeted estimates pertaining to Programme 5.

Table 6.25 : Summary of payments and estimates by sub-programme: Growth and Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|------------------------------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Budget Communication | 6 457 | 6 032 | 7 456 | 7 810 | 7 810 | 6 432 | 8 097 | 8 526 | 8 952 |
| 2. Special Infrastructure Projects | 31 264 | 30 285 | 21 085 | 13 500 | 31 883 | 31 883 | 10 062 | - | - |
| 3. Strategic Cabinet Initiatives | - | - | - | 150 000 | - | - | - | - | - |
| 4. Air Shows/ Special Projects | - | 2 000 | 12 514 | 15 000 | 7 000 | 7 000 | 16 000 | 6 000 | - |
| Total | 37 721 | 38 317 | 41 055 | 186 310 | 46 693 | 45 315 | 34 159 | 14 526 | 8 952 |

Table 6.26 : Summary of payments and estimates by economic classification: Growth and Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 6 457 | 10 305 | 19 970 | 172 810 | 14 810 | 13 432 | 24 097 | 14 526 | 8 952 |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Goods and services | 6 457 | 10 305 | 19 970 | 172 810 | 14 810 | 13 432 | 24 097 | 14 526 | 8 952 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 31 264 | 28 012 | 21 085 | 13 500 | 31 883 | 31 883 | 10 062 | - | - |
| Provinces and municipalities | 31 264 | 28 012 | 21 085 | 13 500 | 31 883 | 31 883 | 10 062 | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 37 721 | 38 317 | 41 055 | 186 310 | 46 693 | 45 315 | 34 159 | 14 526 | 8 952 |

The spending against the sub-programme: Budget Communication relates to budget road shows held by the MEC. The decrease from 2011/12 to 2012/13 is due to cost-cutting, particularly on stationery and printing. The allocation against this sub-programme increases gradually over the 2015/16 MTEF.

The expenditure against the sub-programme: Special Infrastructure Projects of R31.264 million and R30.285 million in 2011/12 and 2012/13, respectively, related to spending on the upgrading of the Pietermaritzburg, Richards Bay, and Prince Mangosuthu Buthelezi airports, and the feasibility study of the government office precinct project (2012/13 against *Goods and services*). The 2013/14 spending of R21.085 million includes the development of the airports (including the Margate airport), which was finalised at the end of the year. Also, in 2013/14 funds were allocated toward infrastructure projects in Kokstad, namely the Shayamoya eco-complex and the development of a light industrial park in Bhongweni.

The allocation of R13.500 million against the sub-programme: Special Infrastructure Projects in the 2014/15 Main Appropriation comprises R8 million for a light industrial park at Bhongweni and R5.500 million for Msunduzi electricity-related projects. The substantial increase from the 2014/15 Main to Adjusted Appropriation is attributed to a roll-over of R18.383 million for the Shayamoya eco-complex (R13.062 million) and a light industrial park at Bhongweni (R5.321 million). Funds were not spent on these projects in 2013/14 due to delays in the appointment of a service provider for a light industrial park, and the fact that the construction of the Shayamoya eco-complex could not be completed as a result of the value of the tender being above the allocated budget for this project, as explained in detail under Section 5.5 above. The 2015/16 allocation includes roll-overs of R2.062 million for the Shayamoya eco-complex and R8 million for a light industrial park at Bhongweni. There is no budget allocated over the outer two years of the MTEF, due to the fact that both infrastructure projects in Kokstad are anticipated to be completed by the end of 2015/16.

The R150 million in the 2014/15 Main Appropriation against the sub-programme: Strategic Cabinet Initiatives was in respect of the Strategic Cabinet Initiatives funding (R100 million), and rural development projects (R50 million) which was allocated and held by Treasury for allocation to other departments for various strategic provincial events (R100 million only), as and when approved by Cabinet. The full amount of R100 million was suspended to departments for various events. The R50 million for rural development projects was moved to COGTA for projects relating to the Small Town Rehabilitation programme. There is no budget allocated against this sub-programme going forward in line with a decision taken by the province to temporarily halt the Strategic Cabinet Initiatives Fund until affordability permits. This decision emanates from the province's approach to financing the fiscal consolidation cuts that were imposed on all three spheres of government by National Treasury.

The amount reflected against the sub-programme: Air Shows/Special Projects in 2012/13 and 2013/14 was for air shows which were held at various airports in the province, to support the provincial aviation industry and to promote tourism and increase economic activity. The decrease from the 2014/15 Main to Adjusted Appropriation is due to the placing on hold of the government office precinct project in line with the fiscal consolidation of the province. The funds were surrendered to the Provincial Revenue Fund. The budget against this sub-programme in 2015/16 and 2016/17 relates to the IALCH floor repairs. There is no allocation against this sub-programme in 2017/18 due to the completion of the IALCH floor repairs project in line with project requirements.

Goods and services include expenditures in respect of budget road shows, air shows, Strategic Cabinet Initiatives and special projects, as detailed above. The substantial decrease from the 2014/15 Main to the Adjusted Appropriation relates mainly to the full amount of the Strategic Cabinet Initiatives Fund and to the rural development funds being suspended to departments for various events, and for the Small Town Rehabilitation programme. The decrease from 2015/16 results mainly from the allocation in 2016/17 for the IALCH floor repairs, which is removed in 2017/18, in line with project requirements.

The expenditure reflected against *Transfers and subsidies to: Provinces and municipalities* relates to the development of regional airports, the development of the Shayamoya eco-complex, a light industrial park at Bhongweni, and Msunduzi electricity-related developments. The expenditure in 2011/12 and 2012/13 pertained to the development of the Pietermaritzburg, Prince Mangosuthu Buthelezi and Richards Bay airports. The 2014/15 Adjusted Appropriation included a roll-over relating to the development of the Shayamoya eco-complex and the light industrial park. Also included in 2014/15 is a provision for Msunduzi electricity-related developments. The 2015/16 allocation includes R2.062 million for the Shayamoya eco-complex and R8 million for a light industrial park at Bhongweni. There is no allocation against this category going forward, as construction of the previously mentioned projects is anticipated to be completed by the end of 2015/16.

Service delivery measures – Programme 5: Growth and Development

Table 6.27 reflects the main service delivery measures pertaining to Programme 5.

Table 6.27 : Service delivery measures – Programme 5: Growth and Development

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | |
|--|---|-----------------------|---------------------|---------|---------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 5.1. To provide for specific departmental approved events and initiatives not catered for in any other programme that will provide development in the province | <ul style="list-style-type: none"> No. of events co-ordinated successfully (budget road shows) | 5 | 5 | 5 | 5 |

7. Other programme information

7.1 Personnel numbers and costs

Table 6.28 below reflects personnel information per programme for the Provincial Treasury, for the period March 2012 to March 2018.

Table 6.29 provides details of personnel in terms of the human resources and finance components.

The employees reflected against contract workers are interns and contract employees for special projects for forensic investigations, IDIP TAs, MSP, etc. The department budgets for its full staff complement over the MTEF.

Table 6.28 : Personnel numbers and costs by programme

| 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 | 127 | 172 | 189 | 179 | 182 | 182 | 182 |
| 2. Fiscal Resource Management | 72 | 73 | 83 | 82 | 88 | 88 | 88 |
| 3. Financial Management | 107 | 137 | 141 | 155 | 168 | 168 | 168 |
| 4. Internal Audit | 115 | 143 | 156 | 116 | 142 | 142 | 142 |
| 5. Growth and Development | - | - | - | - | - | - | - |
| Total | 421 | 525 | 569 | 532 | 580 | 580 | 580 |
| Total personnel cost (R thousand) | 129 790 | 165 967 | 188 527 | 213 550 | 260 566 | 274 729 | 280 064 |
| Unit cost (R thousand) | 308 | 316 | 331 | 401 | 449 | 474 | 483 |

Table 6.29 : Summary of departmental personnel numbers and costs by component

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------|---------|-----------------------|---------------------------|---------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Total for the department | | | | | | | | | |
| Personnel numbers (head count) | 421 | 525 | 569 | 577 | 532 | 532 | 580 | 580 | 580 |
| Personnel cost (R thousands) | 129 790 | 165 967 | 188 527 | 230 825 | 220 525 | 213 550 | 260 566 | 274 729 | 280 064 |
| Human resources component | | | | | | | | | |
| Personnel numbers (head count) | 23 | 25 | 30 | 31 | 30 | 30 | 30 | 30 | 30 |
| Personnel cost (R thousands) | 7 113 | 9 517 | 10 454 | 11 076 | 11 076 | 11 076 | 11 843 | 12 684 | 13 445 |
| Head count as % of total for department | 5.46 | 4.76 | 5.27 | 5.37 | 5.64 | 5.64 | 5.17 | 5.17 | 5.17 |
| Personnel cost as % of total for department | 5.48 | 5.73 | 5.55 | 4.80 | 5.02 | 5.19 | 4.55 | 4.62 | 4.80 |
| Finance component | | | | | | | | | |
| Personnel numbers (head count) | 23 | 28 | 36 | 46 | 41 | 41 | 46 | 46 | 46 |
| Personnel cost (R thousands) | 7 937 | 9 525 | 11 768 | 15 966 | 15 966 | 15 966 | 17 113 | 18 335 | 19 435 |
| Head count as % of total for department | 5.46 | 5.33 | 6.33 | 7.97 | 7.71 | 7.71 | 7.93 | 7.93 | 7.93 |
| Personnel cost as % of total for department | 6.12 | 5.74 | 6.24 | 6.92 | 7.24 | 7.48 | 6.57 | 6.67 | 6.94 |
| Full time workers | | | | | | | | | |
| Personnel numbers (head count) | 397 | 407 | 410 | 412 | 367 | 367 | 412 | 412 | 412 |
| Personnel cost (R thousands) | 127 614 | 152 304 | 173 208 | 211 720 | 201 420 | 194 445 | 239 209 | 251 817 | 255 777 |
| Head count as % of total for department | 94.30 | 77.52 | 72.06 | 71.40 | 68.98 | 68.98 | 71.03 | 71.03 | 71.03 |
| Personnel cost as % of total for department | 98.32 | 91.77 | 91.87 | 91.72 | 91.34 | 91.05 | 91.80 | 91.66 | 91.33 |
| Part-time workers | | | | | | | | | |
| Personnel numbers (head count) | - | - | - | - | - | - | - | - | - |
| Personnel cost (R thousands) | - | - | - | - | - | - | - | - | - |
| Head count as % of total for department | - | - | - | - | - | - | - | - | - |
| Personnel cost as % of total for department | - | - | - | - | - | - | - | - | - |
| Contract workers | | | | | | | | | |
| Personnel numbers (head count) | 24 | 118 | 159 | 165 | 165 | 165 | 168 | 168 | 168 |
| Personnel cost (R thousands) | 2 176 | 13 663 | 15 319 | 19 105 | 19 105 | 19 105 | 21 357 | 22 912 | 24 287 |
| Head count as % of total for department | 5.70 | 22.48 | 27.94 | 28.60 | 31.02 | 31.02 | 28.97 | 28.97 | 28.97 |
| Personnel cost as % of total for department | 1.68 | 8.23 | 8.13 | 8.28 | 8.66 | 8.95 | 8.20 | 8.34 | 8.67 |

The total personnel for the department is 580 employees in 2015/16. The increase in personnel numbers from 2013/14 to 2014/15 relates to the anticipated filling of vacant posts. The substantial increase in the number of contract workers from 2011/12 to 2012/13 (24 to 118) is attributed to interns and learners being placed on the fixed establishment of the department in line with a decision taken by DPSA.

7.2 Training

Tables 6.30 and 6.31 show the department's actual spending and estimates on training per programme. Over the MTEF, the Human Resource Development component will ensure that greater emphasis is placed on training, particularly with the implementation of the Workplace Skills Plan aimed at developing the skills of the workforce of the department.

The high spending in 2011/12 can be attributed to the learnership programme aimed at skills development and also the creation of an available resource pool resulting in the creation of employment opportunities and contributing to the growth of the economy and sustainable development.

The department largely complies with the Skills Development Act – i.e. it budgets for at least 1 per cent of its salary expense going toward staff training.

Table 6.31 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

Table 6.30 : Payments on training by programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 791 | 713 | 720 | 952 | 952 | 952 | 924 | 910 | 959 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | 791 | 713 | 720 | 952 | 952 | 952 | 924 | 910 | 959 |
| Other | - | - | - | - | - | - | - | - | - |
| 2. Fiscal Resource Management | 223 | 130 | 240 | 283 | 283 | 283 | 283 | 308 | 323 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | 223 | 130 | 240 | 283 | 283 | 283 | 283 | 308 | 323 |
| Other | - | - | - | - | - | - | - | - | - |
| 3. Financial Management | 369 | 277 | 322 | 460 | 460 | 460 | 487 | 513 | 539 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | 369 | 277 | 322 | 460 | 460 | 460 | 487 | 513 | 539 |
| Other | - | - | - | - | - | - | - | - | - |
| 4. Internal Audit | 702 | 452 | 740 | 850 | 850 | 944 | 870 | 890 | 935 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | 702 | 452 | 740 | 850 | 850 | 944 | 870 | 890 | 935 |
| Other | - | - | - | - | - | - | - | - | - |
| 5. Growth and Development | - | - | - | - | - | - | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Total | 2 085 | 1 572 | 2 022 | 2 545 | 2 545 | 2 639 | 2 564 | 2 621 | 2 756 |

Table 6.31 : Information on training: Provincial Treasury

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Number of staff | 421 | 525 | 569 | 577 | 532 | 532 | 580 | 580 | 580 |
| Number of personnel trained | 360 | 466 | 390 | 542 | 517 | 507 | 373 | 373 | 373 |
| of which | | | | | | | | | |
| Male | 187 | 191 | 187 | 220 | 220 | 220 | 91 | 91 | 91 |
| Female | 173 | 275 | 203 | 322 | 297 | 287 | 282 | 282 | 282 |
| Number of training opportunities | 49 | 947 | 517 | 502 | 502 | 502 | 503 | 555 | 575 |
| of which | | | | | | | | | |
| Tertiary | - | 1 | - | 2 | 2 | 2 | 3 | 5 | 5 |
| Workshops | 13 | 276 | 246 | 150 | 150 | 150 | 150 | 150 | 150 |
| Seminars | 5 | 171 | 90 | 100 | 100 | 100 | 100 | 100 | 105 |
| Other | 31 | 499 | 181 | 250 | 250 | 250 | 250 | 300 | 315 |
| Number of bursaries offered | 13 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Number of interns appointed | 49 | 41 | 50 | 50 | 50 | 50 | 50 | 50 | 53 |
| Number of learnerships appointed | 20 | 16 | 25 | 15 | 15 | 15 | 15 | 15 | 16 |
| Number of days spent on training | 202 | 177 | 102 | 100 | 100 | 100 | 115 | 150 | 158 |

ANNEXURE – VOTE 6: PROVINCIAL TREASURY

Table 6.A : Details of departmental receipts: Provincial Treasury

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | 405 857 | 447 730 | 488 254 | 572 705 | 572 705 | 531 608 | 648 227 | 732 728 | 776 692 |
| Casino taxes | 337 435 | 383 056 | 421 355 | 490 803 | 490 803 | 457 046 | 556 890 | 630 869 | 668 721 |
| Horse racing taxes | 68 422 | 64 674 | 66 899 | 81 902 | 81 902 | 74 562 | 91 337 | 101 859 | 107 971 |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 152 | 159 | 169 | 182 | 182 | 297 | 203 | 204 | 209 |
| Sale of goods and services produced by dept. (excl. capital assets) | 149 | 158 | 167 | 180 | 180 | 294 | 200 | 204 | 209 |
| Sales by market establishments | 48 | 49 | 54 | 56 | 56 | 92 | 81 | 82 | 83 |
| Administrative fees | 50 | 51 | 51 | 60 | 60 | 7 | 53 | 54 | 56 |
| Other sales | 51 | 58 | 62 | 64 | 64 | 195 | 66 | 68 | 70 |
| Of which | | | | | | | | | |
| Other | 51 | 58 | 58 | 64 | 64 | 60 | 68 | 72 | 76 |
| Sale of scrap, waste, arms and other used current goods (excl. capital assets) | 3 | 1 | 2 | 2 | 2 | 3 | 3 | - | - |
| Transfers received from: | - | - | - | - | - | - | - | - | - |
| Other governmental units | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments | - | - | - | - | - | - | - | - | - |
| International organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Households and non-profit institutions | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | 1 | - | - | - | - | - | - |
| Interest, dividends and rent on land | 288 008 | 269 818 | 249 807 | 266 048 | 266 048 | 291 100 | 283 341 | 301 757 | 316 846 |
| Interest | 288 004 | 269 815 | 249 807 | 266 044 | 266 044 | 291 100 | 283 337 | 301 754 | 316 842 |
| Dividends | 4 | 3 | - | 4 | 4 | - | 4 | 3 | 4 |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | 760 | 32 | 409 | 160 | 160 | 191 | 170 | 181 | 192 |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Other capital assets | 760 | 32 | 409 | 160 | 160 | 191 | 170 | 181 | 192 |
| Transactions in financial assets and liabilities | 333 | 437 | 352 | 375 | 375 | 382 | 380 | 382 | 385 |
| Total | 695 110 | 718 176 | 738 992 | 839 470 | 839 470 | 823 578 | 932 322 | 1 035 253 | 1 094 324 |

Table 6.B : Payments and estimates by economic classification: Provincial Treasury

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|----------------|----------------|----------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 357 411 | 478 406 | 549 746 | 809 999 | 618 284 | 580 388 | 654 524 | 660 248 | 658 764 |
| Compensation of employees | 129 790 | 165 967 | 188 527 | 230 825 | 220 525 | 213 550 | 260 566 | 274 729 | 280 064 |
| Salaries and wages | 114 675 | 148 139 | 168 917 | 203 208 | 192 908 | 185 933 | 230 852 | 243 511 | 247 287 |
| Social contributions | 15 115 | 17 828 | 19 610 | 27 617 | 27 617 | 27 617 | 29 714 | 31 218 | 32 777 |
| Goods and services | 226 615 | 312 439 | 361 219 | 571 406 | 396 791 | 365 870 | 383 726 | 374 745 | 367 387 |
| Administrative fees | 10 015 | 10 323 | 11 904 | 12 386 | 9 186 | 8 309 | 12 570 | 13 116 | 13 773 |
| Advertising | 2 792 | 4 169 | 3 995 | 4 172 | 3 522 | 3 406 | 4 041 | 3 615 | 3 951 |
| Assets less than the capitalisation threshold | 991 | 499 | 631 | 762 | 762 | 568 | 562 | 869 | 914 |
| Audit cost: External | 6 700 | 4 526 | 3 318 | 7 365 | 7 365 | 4 848 | 6 889 | 6 991 | 7 342 |
| Bursaries: Employees | 227 | 297 | 194 | 360 | 360 | 310 | 250 | 250 | 263 |
| Catering: Departmental activities | 1 867 | 2 199 | 2 960 | 2 435 | 2 435 | 1 983 | 2 498 | 2 792 | 2 931 |
| Communication (G&S) | 1 713 | 2 364 | 2 161 | 3 155 | 3 155 | 2 331 | 3 126 | 3 362 | 3 530 |
| Computer services | 97 452 | 110 935 | 112 842 | 125 630 | 128 630 | 111 872 | 123 669 | 135 490 | 138 589 |
| Cons & prof serv: Business and advisory services | 50 198 | 122 794 | 163 278 | 349 450 | 174 085 | 167 545 | 158 088 | 143 541 | 134 439 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 2 270 | 1 660 | 1 218 | 865 | 1 565 | 2 595 | 931 | 934 | 981 |
| Contractors | 2 771 | 4 577 | 12 364 | 8 262 | 8 262 | 7 987 | 18 087 | 8 484 | 2 607 |
| Agency and support / outsourced services | 1 181 | 517 | 579 | 1 161 | 1 161 | 636 | 803 | 860 | 903 |
| Entertainment | 2 | 6 | - | 13 | 13 | - | 14 | 23 | 24 |
| Fleet services (incl. govt motor transport) | 949 | 1 017 | 1 194 | 1 061 | 1 861 | 1 796 | 1 111 | 1 161 | 1 219 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 152 | 224 | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 27 | 61 | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 310 | 26 | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | 2 | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medcas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 105 | 194 | 588 | 825 | 825 | 388 | 898 | 684 | 718 |
| Consumable: Stationery, printing and office supplies | 1 907 | 1 896 | 2 003 | 2 648 | 2 648 | 2 468 | 2 152 | 2 594 | 2 722 |
| Operating leases | 11 812 | 14 832 | 13 524 | 15 288 | 16 288 | 15 627 | 15 287 | 16 057 | 16 870 |
| Property payments | 7 335 | 7 854 | 7 073 | 5 387 | 7 587 | 8 258 | 6 332 | 5 996 | 6 296 |
| Transport provided: Departmental activity | 992 | 531 | 930 | 900 | 900 | 664 | 872 | 1 102 | 1 157 |
| Travel and subsistence | 8 368 | 14 408 | 12 869 | 19 717 | 17 217 | 17 200 | 17 477 | 17 722 | 18 605 |
| Training and development | 2 085 | 1 572 | 2 022 | 2 545 | 2 545 | 2 639 | 2 564 | 2 621 | 2 756 |
| Operating payments | 12 437 | 2 402 | 2 621 | 3 469 | 2 869 | 1 974 | 2 290 | 2 895 | 3 041 |
| Venues and facilities | 1 957 | 2 554 | 2 951 | 3 550 | 3 550 | 2 466 | 3 215 | 3 586 | 3 756 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | 1 006 | - | - | 7 768 | 968 | 968 | 10 232 | 10 774 | 11 313 |
| Interest | 1 006 | - | - | 7 768 | 968 | 968 | 10 232 | 10 774 | 11 313 |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 49 743 | 73 405 | 67 171 | 57 498 | 78 270 | 76 860 | 51 636 | 42 977 | 44 969 |
| Provinces and municipalities | 31 264 | 28 026 | 21 983 | 13 522 | 32 120 | 32 077 | 10 318 | 244 | 256 |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | 31 264 | 28 026 | 21 983 | 13 522 | 32 120 | 32 077 | 10 318 | 244 | 256 |
| Municipalities | 31 264 | 28 012 | 21 260 | 13 500 | 31 883 | 31 883 | 10 062 | - | - |
| Municipal agencies and funds | - | 14 | 723 | 22 | 237 | 194 | 256 | 244 | 256 |
| Departmental agencies and accounts | 17 337 | 35 775 | 41 881 | 39 276 | 39 276 | 39 276 | 32 532 | 34 255 | 35 968 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 17 337 | 35 775 | 41 881 | 39 276 | 39 276 | 39 276 | 32 532 | 34 255 | 35 968 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | 1 000 | 1 000 | 3 150 | 3 150 | 3 150 |
| Households | 1 142 | 9 604 | 3 307 | 4 700 | 5 874 | 4 507 | 5 636 | 5 328 | 5 595 |
| Social benefits | 689 | 1 001 | 775 | 700 | 1 874 | 2 557 | 1 383 | 850 | 893 |
| Other transfers to households | 453 | 8 603 | 2 532 | 4 000 | 4 000 | 1 950 | 4 253 | 4 478 | 4 702 |
| Payments for capital assets | 3 819 | 5 909 | 6 114 | 10 818 | 11 918 | 9 886 | 5 991 | 4 543 | 4 773 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 3 294 | 5 515 | 6 114 | 10 818 | 11 918 | 9 886 | 5 991 | 4 543 | 4 773 |
| Transport equipment | 820 | 1 053 | 1 695 | 1 250 | 2 350 | 1 651 | 1 372 | 1 675 | 1 759 |
| Other machinery and equipment | 2 474 | 4 462 | 4 419 | 9 568 | 9 568 | 8 235 | 4 619 | 2 868 | 3 014 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 525 | 394 | - | - | - | - | - | - | - |
| Payments for financial assets | 232 | 13 | 417 | - | - | - | - | - | - |
| Total | 411 205 | 557 733 | 623 448 | 878 315 | 708 472 | 667 134 | 712 151 | 707 768 | 708 506 |

Table 6.C : Payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 78 484 | 87 232 | 91 313 | 111 174 | 108 859 | 104 811 | 113 133 | 119 425 | 125 552 |
| Compensation of employees | 35 936 | 43 763 | 49 660 | 62 919 | 57 519 | 57 013 | 68 415 | 73 216 | 76 877 |
| Salaries and wages | 31 476 | 38 804 | 44 179 | 54 387 | 48 987 | 48 481 | 59 582 | 64 034 | 67 236 |
| Social contributions | 4 460 | 4 959 | 5 481 | 8 532 | 8 532 | 8 532 | 8 833 | 9 182 | 9 641 |
| Goods and services | 42 548 | 43 469 | 41 653 | 48 255 | 51 340 | 47 798 | 44 718 | 46 209 | 48 675 |
| Administrative fees | 656 | 246 | 1 802 | 311 | 311 | 1 689 | 408 | 425 | 446 |
| Advertising | 2 187 | 3 400 | 3 025 | 3 263 | 2 613 | 1 967 | 3 082 | 2 514 | 2 796 |
| Assets less than the capitalisation threshold | 422 | 109 | 110 | 313 | 313 | 165 | 140 | 373 | 392 |
| Audit cost: External | 6 700 | 4 526 | 3 318 | 7 365 | 7 365 | 4 848 | 6 889 | 6 991 | 7 342 |
| Bursaries: Employees | 227 | 297 | 194 | 360 | 360 | 332 | 250 | 250 | 263 |
| Catering: Departmental activities | 576 | 281 | 908 | 305 | 305 | 502 | 330 | 639 | 671 |
| Communication (G&S) | 883 | 1 279 | 1 095 | 1 588 | 1 588 | 1 079 | 1 553 | 1 646 | 1 729 |
| Computer services | - | 5 | - | 6 | 6 | 11 | 7 | 8 | 8 |
| Cons & prof serv: Business and advisory services | 464 | 216 | 130 | 894 | 3 029 | 2 655 | 188 | 218 | 229 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 321 | 443 | 1 198 | 595 | 1 295 | 1 592 | 751 | 742 | 779 |
| Contractors | 1 263 | 1 664 | 1 505 | 721 | 721 | 729 | 545 | 858 | 901 |
| Agency and support / outsourced services | 132 | 39 | 3 | 111 | 111 | 78 | 97 | 103 | 108 |
| Entertainment | - | 5 | - | 10 | 10 | - | 10 | 18 | 19 |
| Fleet services (incl. govt motor transport) | 949 | 1 017 | 1 194 | 1 061 | 1 861 | 1 796 | 1 111 | 1 161 | 1 219 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 47 | 114 | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 27 | 61 | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 300 | 26 | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | 2 | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 104 | 193 | 465 | 554 | 554 | 290 | 666 | 396 | 416 |
| Consumable: Stationery, printing and office supplies | 1 118 | 814 | 668 | 1 198 | 1 198 | 1 104 | 1 123 | 1 505 | 1 578 |
| Operating leases | 11 272 | 14 201 | 13 295 | 14 498 | 15 498 | 15 509 | 14 580 | 15 360 | 16 138 |
| Property payments | 7 185 | 7 813 | 6 993 | 5 345 | 7 545 | 8 258 | 6 332 | 5 953 | 6 251 |
| Transport provided: Departmental activity | 94 | - | 16 | - | - | 31 | 22 | 102 | 107 |
| Travel and subsistence | 2 442 | 5 086 | 3 558 | 7 045 | 4 545 | 3 852 | 5 442 | 4 677 | 4 908 |
| Training and development | 791 | 713 | 896 | 952 | 952 | 653 | 732 | 703 | 739 |
| Operating payments | 3 971 | 689 | 1 016 | 1 514 | 914 | 451 | 412 | 1 050 | 1 103 |
| Venues and facilities | 417 | 230 | 264 | 246 | 246 | 207 | 48 | 517 | 533 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 453 | 9 004 | 3 525 | 4 022 | 6 211 | 4 745 | 7 659 | 7 872 | 8 108 |
| Provinces and municipalities | - | 14 | 898 | 22 | 237 | 194 | 256 | 244 | 256 |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | 14 | 898 | 22 | 237 | 194 | 256 | 244 | 256 |
| Municipalities | - | - | 175 | - | - | - | - | - | - |
| Municipal agencies and funds | - | 14 | 723 | 22 | 237 | 194 | 256 | 244 | 256 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | 1 000 | 1 000 | 3 150 | 3 150 | 3 150 |
| Households | 453 | 8 990 | 2 627 | 4 000 | 4 974 | 3 551 | 4 253 | 4 478 | 4 702 |
| Social benefits | - | 387 | 98 | - | 974 | 1 601 | - | - | - |
| Other transfers to households | 453 | 8 603 | 2 529 | 4 000 | 4 000 | 1 950 | 4 253 | 4 478 | 4 702 |
| Payments for capital assets | 1 424 | 1 669 | 2 073 | 2 142 | 3 242 | 2 467 | 2 297 | 2 620 | 2 753 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 1 424 | 1 669 | 2 073 | 2 142 | 3 242 | 2 467 | 2 297 | 2 620 | 2 753 |
| Transport equipment | 820 | 1 053 | 1 695 | 1 250 | 2 350 | 1 651 | 1 372 | 1 675 | 1 759 |
| Other machinery and equipment | 604 | 616 | 378 | 892 | 892 | 816 | 925 | 945 | 994 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | 21 | - | - | - | - | - | - |
| Total | 80 361 | 97 905 | 96 932 | 117 338 | 118 312 | 112 023 | 123 089 | 129 917 | 136 413 |

Table 6.D : Payments and estimates by economic classification: Fiscal Resource Management

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|----------------|---------------|---------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 31 778 | 76 716 | 90 510 | 109 857 | 86 757 | 76 239 | 103 166 | 108 320 | 105 336 |
| Compensation of employees | 21 191 | 30 283 | 37 038 | 44 755 | 44 755 | 45 562 | 59 892 | 60 947 | 55 594 |
| Salaries and wages | 19 071 | 27 231 | 33 347 | 40 084 | 40 084 | 40 891 | 54 354 | 55 108 | 49 464 |
| Social contributions | 2 120 | 3 052 | 3 691 | 4 671 | 4 671 | 4 671 | 5 538 | 5 839 | 6 130 |
| Goods and services | 10 587 | 46 433 | 53 472 | 65 102 | 42 002 | 30 677 | 43 274 | 47 373 | 49 742 |
| Administrative fees | 66 | 81 | 60 | 112 | 112 | 62 | 118 | 124 | 130 |
| Advertising | 16 | 35 | 365 | - | - | 68 | - | - | - |
| Assets less than the capitalisation threshold | 115 | 47 | 144 | 71 | 71 | 225 | 77 | 83 | 88 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 81 | 160 | 75 | 170 | 170 | 26 | 195 | 180 | 190 |
| Communication (G&S) | 146 | 201 | 252 | 309 | 309 | 286 | 293 | 315 | 330 |
| Computer services | - | 16 | 13 | 120 | 120 | - | 120 | 120 | 126 |
| Cons & prof serv: Business and advisory services | 6 919 | 42 155 | 49 142 | 57 812 | 34 712 | 25 673 | 37 412 | 41 320 | 43 384 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | 84 | - | - | - |
| Contractors | 18 | 25 | 44 | 14 | 14 | 21 | 14 | 14 | 14 |
| Agency and support / outsourced services | - | - | - | 400 | 400 | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 17 | 22 | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 3 | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | 1 | 9 | 48 | 48 | 13 | 28 | 46 | 48 |
| Consumable: Stationery, printing and office supplies | 219 | 242 | 273 | 310 | 310 | 337 | 252 | 300 | 316 |
| Operating leases | 133 | 188 | 52 | 195 | 195 | 30 | 262 | 201 | 211 |
| Property payments | - | - | 15 | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 840 | 1 633 | 1 400 | 2 472 | 2 472 | 2 017 | 2 230 | 2 407 | 2 528 |
| Training and development | 223 | 130 | 196 | 283 | 283 | 277 | 273 | 315 | 331 |
| Operating payments | 1 791 | 950 | 973 | 1 450 | 1 450 | 1 042 | 1 168 | 1 210 | 1 271 |
| Venues and facilities | - | 547 | 459 | 1 336 | 1 336 | 516 | 832 | 738 | 775 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | 23 | 66 | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | 23 | 66 | - | - | - | - | - | - |
| Social benefits | - | 23 | 63 | - | - | - | - | - | - |
| Other transfers to households | - | - | 3 | - | - | - | - | - | - |
| Payments for capital assets | 374 | 131 | 425 | 266 | 266 | 353 | 401 | 286 | 300 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 374 | 131 | 425 | 266 | 266 | 353 | 401 | 286 | 300 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 374 | 131 | 425 | 266 | 266 | 353 | 401 | 286 | 300 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 128 | - | 203 | - | - | - | - | - | - |
| Total | 32 280 | 76 870 | 91 204 | 110 123 | 87 023 | 76 592 | 103 567 | 108 606 | 105 636 |

Table 6.E : Payments and estimates by economic classification: Financial Management

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|----------------|----------------|----------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 166 021 | 211 393 | 241 243 | 287 219 | 282 919 | 260 624 | 283 500 | 297 294 | 292 208 |
| Compensation of employees | 37 496 | 45 638 | 52 500 | 60 114 | 59 214 | 55 878 | 66 980 | 69 393 | 72 862 |
| Salaries and wages | 32 869 | 40 681 | 47 104 | 51 981 | 51 081 | 47 745 | 58 210 | 60 322 | 63 338 |
| Social contributions | 4 627 | 4 957 | 5 396 | 8 133 | 8 133 | 8 133 | 8 770 | 9 071 | 9 524 |
| Goods and services | 127 519 | 165 755 | 188 743 | 219 337 | 222 737 | 203 778 | 206 288 | 217 127 | 208 033 |
| Administrative fees | 9 110 | 9 756 | 9 912 | 11 683 | 8 483 | 6 290 | 11 734 | 12 227 | 12 839 |
| Advertising | 216 | 40 | - | 60 | 60 | 154 | 106 | 104 | 108 |
| Assets less than the capitalisation threshold | 395 | 133 | 310 | 168 | 168 | 116 | 155 | 193 | 203 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 25 | 26 | 135 | 54 | 54 | 75 | 75 | 65 | 67 |
| Communication (G&S) | 392 | 492 | 427 | 638 | 638 | 524 | 620 | 701 | 736 |
| Computer services | 96 655 | 110 754 | 111 876 | 125 204 | 128 204 | 111 411 | 123 232 | 135 042 | 138 119 |
| Cons & prof serv: Business and advisory services | 12 159 | 38 304 | 60 189 | 74 177 | 77 777 | 76 900 | 63 593 | 61 482 | 48 282 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 1 949 | 1 217 | 20 | 270 | 270 | 919 | 180 | 192 | 202 |
| Contractors | 187 | 51 | 33 | 122 | 122 | 78 | 118 | 132 | 138 |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | 1 | - | 3 | 3 | - | 4 | 5 | 5 |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 57 | 49 | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 5 | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 1 | - | 82 | 155 | 155 | 61 | 159 | 190 | 199 |
| Consumable: Stationery, printing and office supplies | 373 | 681 | 670 | 868 | 868 | 606 | 582 | 586 | 615 |
| Operating leases | 218 | 216 | 109 | 276 | 276 | 88 | 272 | 319 | 335 |
| Property payments | 13 | 41 | 65 | 42 | 42 | - | - | 43 | 45 |
| Transport provided: Departmental activity | - | - | - | - | - | 4 | - | - | - |
| Travel and subsistence | 2 112 | 3 412 | 4 178 | 4 990 | 4 990 | 5 898 | 4 658 | 5 124 | 5 379 |
| Training and development | 369 | 277 | 425 | 460 | 460 | 520 | 509 | 513 | 541 |
| Operating payments | 3 247 | 301 | 298 | 119 | 119 | 51 | 134 | 138 | 145 |
| Venues and facilities | 36 | 4 | 14 | 48 | 48 | 83 | 157 | 71 | 75 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | 1 006 | - | - | 7 768 | 968 | 968 | 10 232 | 10 774 | 11 313 |
| Interest | 1 006 | - | - | 7 768 | 968 | 968 | 10 232 | 10 774 | 11 313 |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 18 026 | 36 337 | 42 374 | 39 976 | 40 176 | 40 072 | 33 865 | 35 055 | 36 808 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 17 337 | 35 775 | 41 881 | 39 276 | 39 276 | 39 276 | 32 532 | 34 255 | 35 968 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 17 337 | 35 775 | 41 881 | 39 276 | 39 276 | 39 276 | 32 532 | 34 255 | 35 968 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 689 | 562 | 493 | 700 | 900 | 796 | 1 333 | 800 | 840 |
| Social benefits | 689 | 562 | 493 | 700 | 900 | 796 | 1 333 | 800 | 840 |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 1 536 | 3 757 | 3 085 | 7 600 | 7 600 | 6 599 | 2 413 | 687 | 722 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 1 011 | 3 363 | 3 085 | 7 600 | 7 600 | 6 599 | 2 413 | 687 | 722 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 1 011 | 3 363 | 3 085 | 7 600 | 7 600 | 6 599 | 2 413 | 687 | 722 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 525 | 394 | - | - | - | - | - | - | - |
| Payments for financial assets | 91 | - | 192 | - | - | - | - | - | - |
| Total | 185 674 | 251 487 | 286 894 | 334 795 | 330 695 | 307 295 | 319 778 | 333 036 | 329 738 |

Table 6.F : Payments and estimates by economic classification: Internal Audit

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|---------------|----------------|----------------|----------------|----------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 74 671 | 92 760 | 106 710 | 128 939 | 124 939 | 125 282 | 130 628 | 120 683 | 126 716 |
| Compensation of employees | 35 167 | 46 283 | 49 329 | 63 037 | 59 037 | 55 097 | 65 279 | 71 173 | 74 731 |
| Salaries and wages | 31 259 | 41 423 | 44 287 | 56 756 | 52 756 | 48 816 | 58 706 | 64 047 | 67 249 |
| Social contributions | 3 908 | 4 860 | 5 042 | 6 281 | 6 281 | 6 281 | 6 573 | 7 126 | 7 482 |
| Goods and services | 39 504 | 46 477 | 57 381 | 65 902 | 65 902 | 70 185 | 65 349 | 49 510 | 51 985 |
| Administrative fees | 183 | 229 | 130 | 280 | 280 | 268 | 310 | 340 | 358 |
| Advertising | 7 | 3 | 104 | - | - | 144 | - | - | - |
| Assets less than the capitalisation threshold | 59 | 210 | 67 | 210 | 210 | 62 | 190 | 220 | 231 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | (22) | - | - | - |
| Catering: Departmental activities | 26 | 30 | 26 | 56 | 56 | 21 | 38 | 38 | 40 |
| Communication (G&S) | 292 | 392 | 387 | 620 | 620 | 442 | 660 | 700 | 735 |
| Computer services | 797 | 160 | 953 | 300 | 300 | 450 | 310 | 320 | 336 |
| Cons & prof serv: Business and advisory services | 30 647 | 39 846 | 50 680 | 57 511 | 57 511 | 61 317 | 56 855 | 40 479 | 42 500 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 5 | 15 | 4 | - | - | 6 | - | - | - |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | 2 | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 17 | 39 | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 2 | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | 25 | 68 | 68 | 24 | 45 | 52 | 55 |
| Consumable: Stationery, printing and office supplies | 183 | 159 | 392 | 272 | 272 | 421 | 195 | 203 | 213 |
| Operating leases | 189 | 227 | 68 | 319 | 319 | - | 173 | 177 | 186 |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 2 974 | 4 277 | 3 733 | 5 210 | 5 210 | 5 433 | 5 147 | 5 514 | 5 790 |
| Training and development | 702 | 452 | 505 | 850 | 850 | 1 189 | 1 050 | 1 090 | 1 145 |
| Operating payments | 3 419 | 429 | 303 | 186 | 186 | 430 | 376 | 377 | 396 |
| Venues and facilities | - | 9 | 4 | 20 | 20 | - | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | 29 | 121 | - | - | 160 | 50 | 50 | 53 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | 29 | 121 | - | - | 160 | 50 | 50 | 53 |
| Social benefits | - | 29 | 121 | - | - | 160 | 50 | 50 | 53 |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 485 | 352 | 531 | 810 | 810 | 467 | 880 | 950 | 998 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 485 | 352 | 531 | 810 | 810 | 467 | 880 | 950 | 998 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 485 | 352 | 531 | 810 | 810 | 467 | 880 | 950 | 998 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 13 | 13 | 1 | - | - | - | - | - | - |
| Total | 75 169 | 93 154 | 107 363 | 129 749 | 125 749 | 125 909 | 131 558 | 121 683 | 127 767 |

Table 6.G : Payments and estimates by economic classification: Growth and Development

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|----------------|---------------|---------------|-----------------------|---------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 6 457 | 10 305 | 19 970 | 172 810 | 14 810 | 13 432 | 24 097 | 14 526 | 8 952 |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Salaries and wages | - | - | - | - | - | - | - | - | - |
| Social contributions | - | - | - | - | - | - | - | - | - |
| Goods and services | 6 457 | 10 305 | 19 970 | 172 810 | 14 810 | 13 432 | 24 097 | 14 526 | 8 952 |
| Administrative fees | - | 11 | - | - | - | - | - | - | - |
| Advertising | 366 | 691 | 501 | 849 | 849 | 1 073 | 853 | 997 | 1 047 |
| Assets less than the capitalisation threshold | - | - | - | - | - | - | - | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 1 159 | 1 702 | 1 816 | 1 850 | 1 850 | 1 359 | 1 860 | 1 870 | 1 963 |
| Communication (G&S) | - | - | - | - | - | - | - | - | - |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | 9 | 2 273 | 3 137 | 159 056 | 1 056 | 1 000 | 40 | 42 | 44 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 1 298 | 2 822 | 10 778 | 7 405 | 7 405 | 7 153 | 17 410 | 7 480 | 1 554 |
| Agency and support / outsourced services | 1 049 | 478 | 576 | 650 | 650 | 558 | 706 | 757 | 795 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 14 | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medcas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | 7 | - | - | - | - | - | - |
| Consumable: Stationery, printing and office supplies | 14 | - | - | - | - | - | - | - | - |
| Operating leases | - | - | - | - | - | - | - | - | - |
| Property payments | 137 | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | 898 | 531 | 914 | 900 | 900 | 629 | 850 | 1 000 | 1 050 |
| Travel and subsistence | - | - | - | - | - | - | - | - | - |
| Training and development | - | - | - | - | - | - | - | - | - |
| Operating payments | 9 | 33 | 31 | 200 | 200 | - | 200 | 120 | 126 |
| Venues and facilities | 1 504 | 1 764 | 2 210 | 1 900 | 1 900 | 1 660 | 2 178 | 2 260 | 2 373 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 31 264 | 28 012 | 21 085 | 13 500 | 31 883 | 31 883 | 10 062 | - | - |
| Provinces and municipalities | 31 264 | 28 012 | 21 085 | 13 500 | 31 883 | 31 883 | 10 062 | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | 31 264 | 28 012 | 21 085 | 13 500 | 31 883 | 31 883 | 10 062 | - | - |
| Municipalities | 31 264 | 28 012 | 21 085 | 13 500 | 31 883 | 31 883 | 10 062 | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 37 721 | 38 317 | 41 055 | 186 310 | 46 693 | 45 315 | 34 159 | 14 526 | 8 952 |

Table 6.H : Provincial Treasury - Payments of infrastructure by category

| Project name | Municipality / Region | Type of infrastructure | | Project duration | | Source of funding | Budget programme name | Targeted number of jobs for 2015/16 | Total project cost | Expenditure to date from previous years | Total available | | MTEF | |
|--|-----------------------|------------------------|--|------------------|--|-------------------|-----------------------|-------------------------------------|--------------------|---|-----------------|---------|---------|---------|
| | | | | | | | | | | | 2015/16 | 2016/17 | 2017/18 | 2017/18 |
| R thousands | | | | | | | | | | | | | | |
| Existing infrastructure assets | | | | | | | | | | | | | | |
| of which: | | | | | | | | | | | | | | |
| Maintenance and repair: Current | | | | | | | | | | | | | | |
| Upgrades and additions: Capital | | | | | | | | | | | | | | |
| Refurbishment and rehabilitation: Capital | | | | | | | | | | | | | | |
| New infrastructure assets: Capital | | | | | | | | | | | | | | |
| Infrastructure transfers | | | | | | | | | | | | | | |
| of which: | | | | | | | | | | | | | | |
| Infrastructure transfers: Current | | | | | | | | | | | | | | |
| Infrastructure transfers: Capital | | | | | | | | | | | 10 062 | | | |
| Development of the Light Industrial Park in Bhongweni | Kolstad | | | | | | | | | | | | | |
| Construction of the Shayamoya Eco-Complex Cultural Village | Kolstad | | | | | | | | | | 8 000 | | | |
| | | | | | | | | | | | 2 062 | | | |
| Infrastructure: Payments for financial assets | | | | | | | | | | | | | | |
| Infrastructure: Leases | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | |
| Capital infrastructure | | | | | | | | | | | 10 062 | | | |
| Current infrastructure | | | | | | | | | | | 10 062 | | | |

Table 6.I : Summary of transfers to local govt. (donations, airports, Shayamoya, light industrial park and Msunduzi electric-rel. dev.)

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | | 2014/15 | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | - | - | 2 009 | - | - | - | - | - | - |
| B KZN211 Vulamehlo | - | - | - | - | - | - | - | - | - |
| B KZN212 Umdoni | - | - | - | - | - | - | - | - | - |
| B KZN213 Umzumbe | - | - | - | - | - | - | - | - | - |
| B KZN214 uMuziwabantu | - | - | - | - | - | - | - | - | - |
| B KZN215 Ezingoleni | - | - | - | - | - | - | - | - | - |
| B KZN216 Hibiscus Coast | - | - | 2 009 | - | - | - | - | - | - |
| C DC21 Ugu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | 17 790 | 574 | 17 071 | 5 500 | 5 715 | 5 672 | - | - | - |
| B KZN221 uMshwathi | - | - | - | - | - | - | - | - | - |
| B KZN222 uMngeni | - | - | - | - | - | - | - | - | - |
| B KZN223 Mpofana | - | - | - | - | - | - | - | - | - |
| B KZN224 Impendle | - | - | - | - | - | - | - | - | - |
| B KZN225 Msunduzi | 17 790 | 574 | 17 071 | 5 500 | 5 715 | 5 672 | - | - | - |
| B KZN226 Mkhambathini | - | - | - | - | - | - | - | - | - |
| B KZN227 Richmond | - | - | - | - | - | - | - | - | - |
| C DC22 uMgungundlovu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Uthukela Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN232 Emnambithi/Ladysmith | - | - | - | - | - | - | - | - | - |
| B KZN233 Indaka | - | - | - | - | - | - | - | - | - |
| B KZN234 Umtshezi | - | - | - | - | - | - | - | - | - |
| B KZN235 Okhahlamba | - | - | - | - | - | - | - | - | - |
| B KZN236 Imbabazane | - | - | - | - | - | - | - | - | - |
| C DC23 Uthukela District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN241 Endumeni | - | - | - | - | - | - | - | - | - |
| B KZN242 Ngutu | - | - | - | - | - | - | - | - | - |
| B KZN244 Msinga | - | - | - | - | - | - | - | - | - |
| B KZN245 Umvoti | - | - | - | - | - | - | - | - | - |
| C DC24 Umzinyathi District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN252 Newcastle | - | - | - | - | - | - | - | - | - |
| B KZN253 eMadlangeni | - | - | - | - | - | - | - | - | - |
| B KZN254 Dannhauser | - | - | - | - | - | - | - | - | - |
| C DC25 Amajuba District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | 10 015 | 19 661 | 596 | - | - | - | - | - | - |
| B KZN261 eDumbe | - | - | - | - | - | - | - | - | - |
| B KZN262 uPhongolo | - | - | - | - | - | - | - | - | - |
| B KZN263 Abaqulusi | - | - | - | - | - | - | - | - | - |
| B KZN265 Nongoma | - | - | - | - | - | - | - | - | - |
| B KZN266 Ulundi | - | - | - | - | - | - | - | - | - |
| C DC26 Zululand District Municipality | 10 015 | 19 661 | 596 | - | - | - | - | - | - |
| Total: Umkhanyakude Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN271 Umhlabyalingana | - | - | - | - | - | - | - | - | - |
| B KZN272 Jozini | - | - | - | - | - | - | - | - | - |
| B KZN273 The Big 5 False Bay | - | - | - | - | - | - | - | - | - |
| B KZN274 Hlabisa | - | - | - | - | - | - | - | - | - |
| B KZN275 Mtubatuba | - | - | - | - | - | - | - | - | - |
| C DC27 Umkhanyakude District Municipality | - | - | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | 3 459 | 7 777 | - | - | - | - | - | - | - |
| B KZN281 Umfolozi | - | - | - | - | - | - | - | - | - |
| B KZN282 uMhlathuze | 3 459 | 7 777 | - | - | - | - | - | - | - |
| B KZN283 Ntambanana | - | - | - | - | - | - | - | - | - |
| B KZN284 uMlalazi | - | - | - | - | - | - | - | - | - |
| B KZN285 Mthonjaneni | - | - | - | - | - | - | - | - | - |
| B KZN286 Nkandla | - | - | - | - | - | - | - | - | - |
| C DC28 uThungulu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Ilembe Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN291 Mandeni | - | - | - | - | - | - | - | - | - |
| B KZN292 KwaDukuza | - | - | - | - | - | - | - | - | - |
| B KZN293 Ndwedwe | - | - | - | - | - | - | - | - | - |
| B KZN294 Maphumulo | - | - | - | - | - | - | - | - | - |
| C DC29 Ilembe District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | - | 2 294 | 8 000 | 26 383 | 26 383 | 10 062 | - | - |
| B KZN431 Ingwe | - | - | - | - | - | - | - | - | - |
| B KZN432 Kwa Sani | - | - | - | - | - | - | - | - | - |
| B KZN433 Greater Kokstad | - | - | 2 294 | 8 000 | 26 383 | 26 383 | 10 062 | - | - |
| B KZN434 Ubuhlebezwe | - | - | - | - | - | - | - | - | - |
| B KZN435 Umzimkulu | - | - | - | - | - | - | - | - | - |
| C DC43 Harry Gwala District Municipality | - | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | 233 | 220 | 231 |
| Total | 31 264 | 28 012 | 21 970 | 13 500 | 32 098 | 32 055 | 10 295 | 220 | 231 |

Table 6.J : Financial summary for KZN Gaming and Betting Board (KZNGBB)

| | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|----------------|------------------|-----------------------|----------------|----------------|
| R thousand | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Revenue | | | | | | | |
| Tax revenue | - | - | - | - | - | - | - |
| Non-tax revenue | 13 251 | 14 410 | 17 422 | 22 677 | 29 246 | 30 361 | 30 918 |
| Sale of goods and services other than capital assets | 11 397 | 12 610 | 15 324 | 20 165 | 27 246 | 28 266 | 28 715 |
| Interest, dividends and rent on land | 1 854 | 1 727 | 2 098 | 2 451 | 1 980 | 2 079 | 2 183 |
| Other non-tax revenue | - | 73 | - | 61 | 20 | 16 | 20 |
| Transfers received | 17 337 | 35 775 | 41 881 | 39 276 | 32 532 | 34 255 | 35 968 |
| Sale of capital assets | 379 | - | 409 | - | - | - | - |
| Total revenue | 30 967 | 50 185 | 59 712 | 61 953 | 61 778 | 64 616 | 66 886 |
| Expenses | | | | | | | |
| Current expense | 35 143 | 43 244 | 49 269 | 63 583 | 60 630 | 63 516 | 65 929 |
| Compensation of employees | 21 579 | 26 824 | 32 158 | 39 813 | 45 530 | 49 172 | 51 876 |
| Use of goods and services | 12 480 | 15 531 | 15 947 | 22 620 | 13 900 | 13 079 | 12 778 |
| Depreciation | 1 084 | 889 | 1 164 | 1 150 | 1 200 | 1 265 | 1 275 |
| Transfers and subsidies | - | - | - | - | - | - | - |
| Total expenses | 35 143 | 43 244 | 49 269 | 63 583 | 60 630 | 63 516 | 65 929 |
| Surplus / (Deficit)* | (4 176) | 6 941 | 10 443 | (1 630) | 1 148 | 1 100 | 957 |
| Cash flow summary | | | | | | | |
| Adjust surplus / (deficit) for accrual transactions | 757 | 434 | (168) | 250 | 216 | 245 | 195 |
| Adjustments for: | | | | | | | |
| Depreciation | 1 084 | 889 | 1 164 | 1 150 | 1 200 | 1 265 | 1 275 |
| Net (profit) / loss on disposal of fixed assets | (380) | (73) | (409) | - | - | - | - |
| Other | 53 | (382) | (923) | (900) | (984) | (1 020) | (1 080) |
| Operating surplus / (deficit) before changes in working capital | (3 419) | 7 375 | 10 275 | (1 380) | 1 364 | 1 345 | 1 152 |
| Changes in working capital | 4 509 | 549 | 5 420 | 3 106 | 1 244 | 1 294 | 1 351 |
| (Decrease) / increase in accounts payable | 3 121 | 869 | 5 790 | 1 297 | 1 178 | 1 240 | 1 306 |
| Decrease / (increase) in accounts receivable | 1 696 | (320) | (415) | 1 721 | (29) | (48) | (65) |
| (Decrease) / increase in provisions | (308) | - | 45 | 88 | 95 | 102 | 110 |
| Cash flow from operating activities | 1 090 | 7 924 | 15 695 | 1 726 | 2 608 | 2 639 | 2 503 |
| Transfers from government | 17 337 | 35 775 | 41 881 | 39 276 | 32 532 | 34 255 | 35 968 |
| Capital | - | - | - | - | - | - | - |
| Current | 17 337 | 35 775 | 41 881 | 39 276 | 32 532 | 34 255 | 35 968 |
| Cash flow from investing activities | (979) | (218) | 102 | (2 898) | (2 418) | (80) | (20) |
| Acquisition of assets | (979) | (685) | (1 307) | (3 798) | (3 402) | (1 100) | (1 100) |
| Computer equipment | (235) | (517) | (1 127) | (3 698) | (3 002) | (750) | (750) |
| Furniture and office equipment | (30) | (69) | (115) | (100) | (150) | (100) | (100) |
| Transport assets | (361) | - | - | - | - | - | - |
| Computer software | (353) | (99) | (65) | - | (250) | (250) | (250) |
| Other flows from investing activities | - | 467 | 1 409 | 900 | 984 | 1 020 | 1 080 |
| Cash flow from financing activities | (9 782) | - | - | - | - | - | - |
| Net increase / (decrease) in cash and cash equivalents | (9 671) | 7 706 | 15 797 | (1 172) | 190 | 2 559 | 2 483 |
| Balance sheet data | | | | | | | |
| Carrying value of assets | 2 396 | 2 265 | 2 296 | 4 944 | 7 146 | 6 981 | 6 661 |
| Computer equipment | 839 | 940 | 1 380 | 4 345 | 6 564 | 6 412 | 6 058 |
| Furniture and office equipment | 550 | 511 | 430 | 409 | 438 | 417 | 396 |
| Transport assets | 451 | 350 | 249 | 148 | 47 | - | - |
| Computer software | 556 | 464 | 237 | 42 | 97 | 152 | 207 |
| Investments | - | - | - | - | - | - | - |
| Cash and cash equivalents | 34 072 | 41 778 | 57 575 | 56 403 | 56 595 | 59 154 | 61 780 |
| Receivables and prepayments | 723 | 2 257 | 2 673 | 952 | 979 | 1 027 | 1 094 |
| Trade receivables | 100 | 31 | 176 | 158 | 140 | 126 | 115 |
| Other receivables | 504 | 338 | 307 | 269 | 235 | 206 | 180 |
| Prepaid expenses | 119 | 382 | - | - | - | - | - |
| Accrued income | - | 1 506 | 2 190 | 525 | 604 | 695 | 799 |
| Inventory | - | - | - | - | - | - | - |
| Total assets | 37 191 | 46 300 | 62 544 | 62 299 | 64 720 | 67 162 | 69 535 |
| Capital and reserves | 20 906 | 29 091 | 39 534 | 37 904 | 39 052 | 40 152 | 41 109 |
| Accumulated reserves | 25 082 | 20 906 | 29 091 | 39 534 | 37 904 | 39 052 | 40 152 |
| Surplus / (Deficit) | (4 176) | 6 941 | 10 443 | (1 630) | 1 148 | 1 100 | 957 |
| Other | - | 1 244 | - | - | - | - | - |
| Borrowings | - | - | - | - | - | - | - |
| Post retirement benefits | - | - | - | - | - | - | - |
| Trade and other payables | 1 868 | 3 881 | 3 296 | 3 666 | 3 871 | 4 089 | 4 322 |
| Trade payables | 972 | 1 074 | 9 | 215 | 247 | 284 | 327 |
| Other | 896 | 2 807 | 3 287 | 3 451 | 3 624 | 3 805 | 3 995 |
| Deferred income | 13 310 | 12 310 | 18 536 | 19 463 | 20 436 | 21 458 | 22 531 |
| Provisions | 1 107 | 1 018 | 1 178 | 1 266 | 1 361 | 1 463 | 1 573 |
| Funds managed (e.g. Poverty alleviation fund) | - | - | - | - | - | - | - |
| Contingent liabilities | - | - | - | - | - | - | - |
| Total equity and liabilities | 37 191 | 46 300 | 62 544 | 62 299 | 64 720 | 67 162 | 69 535 |

*Note: The surplus relates to the accounting treatment of the purchase of capital expense items.

Table 6.K : Personnel summary for KZNGBB

| | Audited Outcome | | | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|-----------|-----------|------------------|-----------------------|-----------|-----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| A. Permanent and full-time-contract employees | | | | | | | |
| Personnel cost (R thousand) | 21 579 | 26 824 | 32 158 | 39 813 | 45 530 | 49 172 | 51 876 |
| Personnel numbers (head count) | 58 | 71 | 71 | 88 | 88 | 88 | 88 |
| Unit cost | 372 | 378 | 453 | 452 | 517 | 559 | 590 |
| B. Part-time and temporary contract employees | | | | | | | |
| Personnel cost (R thousand) | - | - | - | - | - | - | - |
| Personnel numbers (head count) | - | - | - | - | - | - | - |
| Unit cost | - | - | - | - | - | - | - |
| C. Interns | | | | | | | |
| Personnel cost (R thousand) | - | - | - | - | - | - | - |
| Personnel numbers (head count) | - | - | - | - | - | - | - |
| Unit cost | - | - | - | - | - | - | - |
| Total for entity | | | | | | | |
| Personnel cost (R thousand) | 21 579 | 26 824 | 32 158 | 39 813 | 45 530 | 49 172 | 51 876 |
| Personnel numbers (head count) | 58 | 71 | 71 | 88 | 88 | 88 | 88 |
| Unit cost | 372 | 378 | 453 | 452 | 517 | 559 | 590 |
| D. Learnerships | | | | | | | |
| Personnel cost (R thousand) | - | - | - | - | - | - | - |
| Personnel numbers (head count) | - | - | - | - | - | - | - |
| Unit cost | - | - | - | - | - | - | - |
| Details of personnel numbers according to salary level | | | | | | | |
| Salary level | | | | | | | |
| Board Members | 8 | 9 | 9 | 9 | 9 | 9 | 9 |
| Executive Management | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Senior Management | 3 | 4 | 4 | 7 | 7 | 7 | 7 |
| Middle Management | 7 | 10 | 10 | 14 | 14 | 14 | 14 |
| Professionals | 37 | 46 | 44 | 50 | 50 | 50 | 50 |
| Semi-skilled | 9 | 9 | 11 | 15 | 15 | 15 | 15 |
| Very low skilled | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Total | 66 | 80 | 80 | 97 | 97 | 97 | 97 |

VOTE 7

Health

| | |
|---------------------------------|------------------|
| Operational budget | R 32 979 964 423 |
| MEC remuneration | R 1 821 577 |
| Total amount to be appropriated | R 32 981 786 000 |
| Responsible MEC | MEC for Health |
| Administering department | Health |
| Accounting officer | Head: Health |

1. Overview

Vision

The vision of the Department of Health is: *A long and healthy life for all South Africans.*

Mission statement

The department's mission statement is: *To develop a sustainable, co-ordinated, integrated and comprehensive health system at all levels of care, based on the primary health care approach through the district health system.*

Strategic objectives

Strategic policy direction: Directly linked with the National Development Plan (NDP) 2030 with the main focus on improving the health and well-being of the population and strengthening the health system effectiveness.

The department's strategic goals, each comprising a number of strategic objectives and sub-outcomes, have been aligned with the NDP 2030, the MTSF 2014-2019, and the National Health sector strategic goals for 2014-2019. The overarching goal remains "*Increasing the life expectancy of all South Africans*". The various goals are as follows:

- To prevent and reduce the burden of disease with the main focus on maternal, neonatal, child and women's health, tuberculosis (TB), HIV and AIDS, non-communicable diseases, as well as injury, accidents and violence.
- To implement Primary Health Care (PHC) re-engineering and improve hospital efficiencies.
- To strengthen health facility planning.
- To improve Human Resources for Health.
- To strengthen health information management to improve decision making.
- To improve financial management.
- To improve quality of care.
- To improve universal health coverage.

Core functions

The main purpose of the department is to develop and implement a sustainable, co-ordinated, integrated and comprehensive health system based on the primary health care approach, which encompasses promotive, curative, rehabilitative, supportive and palliative care. This is guided by the principles of accessibility, equity, quality and efficiency, sustainability, community participation, appropriate technology, and inter-governmental and inter-sectoral collaboration.

The department provides health services primarily to the uninsured population of KZN, who comprise about 86.6 per cent of the province's total population of 10 694 400 (2014 Mid-Year Population Estimates, Stats SA). In addition, the department provides central health services to people beyond provincial boundaries. The following main categories of health services provided by the department are:

Primary health care services

Primary health care services are rendered at community/household level and in fixed clinics and include the promotion of health and prevention of illness, as well as curative and rehabilitative services.

Hospital services

District hospitals render hospital services at a general practitioner level, while provincial hospitals render hospital services at a specialist level. Specialised hospitals render specialised hospital services for patients with TB, psychiatric illnesses and those patients requiring long-term or chronic step-down/rehabilitative care. Tertiary and central hospitals render tertiary, central and quaternary hospital services at specialist level. Central and tertiary hospitals provide facilities and expertise for sophisticated medical procedures.

Forensic pathology services

Rendering specialised forensic and medico-legal services to establish the circumstances and causes surrounding unnatural death, to ensure integrity of forensic evidence and to provide Inspector of Anatomy Services.

Emergency medical services

The aim of this category is to provide emergency care and transport for victims of trauma, road traffic accidents, and emergency medical and obstetric conditions. Planned patient transport is provided for inter-hospital transfer, while indigent patients are transported between clinics and hospitals.

Legislative mandate

In carrying out its functions, the department is governed mainly by the following Acts and regulations:

- The Constitution of the Republic of South Africa (Act No. 108 of 1996)
- KwaZulu-Natal Health Act (Act No. 1 of 2009) and Regulations
- National Health Act (Act No. 61 of 2003)
- Mental Health Care Act (Act No. 17 of 2002)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and the Treasury Regulations
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Annual Division of Revenue Act
- Public Service Act (Act No. 103 of 1994) and the Public Service Regulations
- Medicines and Related Substances Act (Act No. 101 of 1965, as amended)
- Pharmacy Act (Act No. 53 of 1974, as amended)
- Nursing Act (Act No. 33 of 2005)
- Choice of Termination of Pregnancy Act (Act No. 92 of 1996, as amended)
- Labour Relations Act (Act No. 66 of 1995)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Skills Development Act (Act No. 97 of 1998)
- National Health Laboratory Service Act (Act No. 37 of 2000)
- Occupational Health and Safety Act (Act No. 85 of 1993)
- Traditional Health Practitioners Act (Act No. 35 of 2004)
- Health Professions Act (Act No. 56 of 1974)
- Human Tissue Act (Act No. 65 of 1983)
- Allied Health Professions Act (Act No. 63 of 1982)

2. Review of the 2014/15 financial year

Section 2 provides a review of 2014/15, outlining the main achievements and progress made by the department, as well as providing a brief discussion on the challenges and new developments.

Preventing and reducing the burden of disease with the main focus on maternal, neonatal, child and women's health and nutrition, TB, HIV and AIDS, and non-communicable conditions. According to 2014/15 mid-year data:

- The mother to child transmission of HIV was reduced from 1.6 per cent in 2013/14 to 1.2 per cent.
- The facility maternal mortality ratio reduced from 147 per 100 000 live births to 140.3 per 100 000 live births.
- The child under 5 years severe acute malnutrition incidence decreased from 5.6 per 1 000 in 2013/14 to 5.5 per 1 000.
- The cumulative number of HIV positive clients remaining on anti-retroviral (ARV) therapy increased from 840 738 in 2013/14 to 883 577.
- The TB incidence decreased from 1 027 per 100 000 population in 2012/13 to 898 per 100 000 population in 2013/14 (annual indicator).

Implementation of primary health care (PHC) re-engineering by increasing household coverage by ward-based outreach teams, school health teams and district clinical specialist teams. According to 2014/15 mid-year data:

- One district clinical specialist team has all specialist and nursing posts filled and nine teams have all nursing posts filled. The turn-over rate of team members is high, and filling of posts in rural districts remains a challenge.
- School health teams increased from 176 in 2013/14 to 186, and the PHC outreach teams increased from 33 to 78 complete teams. The household coverage increased from 35.3 per cent in 2013/14 to 44.7 per cent.

Strengthening of hospital services:

- Clinical governance was prioritised, including outreach programmes and mentorship. Outreach services were strengthened through the partnership with Red Cross Aero Medical Services. Between April and November 2014, an average of 40 hospitals were visited per month, 827 clinic visits were undertaken, 11 885 patients were seen and 3 349 doctors and nurses attended ward rounds conducted by specialists during outreach services.

Improving human resources:

- The MOU between the department and the University of KwaZulu-Natal (UKZN) was signed in December 2014. As part of the partnership, the decentralised training on the PHC model is at an advanced stage of development which will, *inter alia*, increase the production of Health Sciences professionals and ensure intensified focus on PHC re-engineering.
- An agreement was reached between the department and UKZN for the training of mid-level workers such as pharmacist assistants, dental assistants, physiotherapy technicians and nutritional advisors, to substitute scarce resources. The training of clinical associates is also being explored.

Strengthening health information management:

- 40 per cent of hospitals and 25 per cent of PHC facilities have broadband access which serves as an enabler for the implementation of a web-based health information system in these facilities.
- Tele-medicine sites increased from 37 to 41 to expand distance teaching and learning through information communication technology in a variety of clinical specialities including radiology, ultrasonography, burn and wound management etc., especially in rural areas.

Improving quality of care:

- The department continues to implement the National Core Standards, focussing on seven domains, each with a vast number of standards and criteria, intended to improve quality and efficiency of health establishments. These include patient rights, patient safety, clinical governance and care, clinical support services, public health, leadership and corporate governance, operational management, as well as facilities and infrastructure.
- Implementation of the Ideal Clinic Realisation and Maintenance (ICRM – Operation *Phakisa*) project in PHC facilities commenced in 2014/15, aimed at improving the quality of PHC services. Self-assessments undertaken in the fourth quarter of 2014/15, to determine a baseline against the Ideal Clinic standards, show that, out of 288 targeted clinics, 68 (23.6 per cent) scored less than 49 per cent, 149 (51.7 per cent) between 50-69 per cent, and 70 (24.3 per cent) more than 70 per cent.

Improve universal health coverage

- The department continues to implement the National Health Insurance (NHI) pilot in the districts of uMgungundlovu, Umzinyathi and Amajuba, with a focus on:
 - Effective functioning and integration of new primary care delivery models.
 - Monitoring and evaluation of community and facility-based PHC and outreach services to ensure evidence-based planning.
 - Improved pharmaceutical supplies management systems to improve access to services and patient satisfaction.
 - Improved supply chain management.
 - Strengthening leadership and management at district and facility levels.
 - Pilot effective referral system(s) based on a re-engineered primary health care platform with a particular focus on rural areas.

3. Outlook for the 2015/16 financial year

Section 3 looks at the key focus areas of 2015/16, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments. The department plans to achieve the following:

The bulk of the department's budget allocation is for the delivery of PHC services to the approximately 87 per cent uninsured population of KZN. The main services rendered at PHC level include the comprehensive management of HIV and AIDS, as well as the provision of clinic (including mobiles) and hospital care at a district level. The department also provides hospital care at a general, tertiary and central level, for patients whose levels of care require more specialised services, as well as emergency transport for patients who require urgent attention. In 2015/16, the department will continue with these services and will strive to achieve improvements and enhancements to these services, as set out below.

Prevent and reduce the burden of disease with the main focus on maternal, neonatal, child and women's health, nutrition, TB, HIV and AIDS, and non-communicable conditions, as follows:

- Reduce the mother to child transmission rate of HIV to less than 0.5 per cent by March 2018.
- Reduce the facility maternal mortality ratio to 100 maternal deaths per 100 000 live births by March 2018.
- Establish 11 district hospital caesarean section centres by March 2018 to improve maternal health outcomes.
- Decrease the child under-five year severe acute malnutrition incidence to 4.9 per 1 000 by March 2018.
- Decrease the TB incidence to 500 per 100 000 population by March 2018.
- Maintain the TB new client treatment success rate at 85 per cent (or more) from March 2016 onward.

- Increase the total number of clients on ARVs to 1 450 000 (cumulative) by March 2018.
- Decrease the hypertension incidence to 15.2 per 1 000 by March 2018.
- Decrease the diabetes incidence to 1.2 per 1 000 by March 2018.

Scale up PHC re-engineering with the main focus on implementing the ICRM (Operation *Phakisa*):

- Increase the percentage of fixed PHC facilities that score above 80 per cent against the Ideal Clinic criteria (dashboard) to 60 per cent by March 2018.
- Establish four complete district clinical specialist teams (full composition of nursing and medical specialists) by March 2018.

Strengthen and improve hospital efficiencies with the main focus on implementation of an approved Hospital Rationalisation Plan over the next 5 to 10 years. This includes the following:

- Re-classification of hospitals based on the package of services and aligned post establishment, review of bed norms per clinical discipline, hospital complexes, emergency units in selected hospitals, roll-out of a patient information system using a phased approach, tele-health, and strengthening of clinical governance.
- In 2015/16, key focus areas will be the rationalisation of the oncology, nephrology, orthopaedics and neurosurgery services.

Improving human resources for health with the main focus on the finalisation of a costed long-term human resources plan through the following:

- Costing the organisational structure based on service gaps and established norms and standards using empirical evidence from current research conducted by the Epidemiology unit, the Health Economics and HIV and AIDS Research Division and UKZN, and supported by the workload indicators of staffing needs currently implemented in the NHI pilot districts.
- Decentralising community-based training in the PHC model for Health Sciences, in partnership with UKZN to increase supply of critical skills (including mid-level workers) and piloting this training model in Region 4 (Zululand, Umkhanyakude and uThungulu) in 2015/16.

Strengthening health information systems and management:

- Establish bandwidth connectivity in 90 per cent of hospitals (64 facilities) and 45 per cent of Clinics/community health centres (241 facilities) as an enabler for the implementation of a web-based health information system.
- Increase tele-medicine sites to 65 by March 2018 to advance clinical training and development.

Improving financial management:

- Implement an electronic inventory management system in all hospitals and community health centres, along with an electronic billing system in central, tertiary and regional hospitals and selected high volume district hospitals.
- Centralise the acquisition processes at district offices with the appointment of dedicated SCM managers at district offices.
- Undertake organisation-wide introduction and training of standard operating procedures for finance and SCM, as well as leadership training of district finance managers, benchmarking of best finance practices, mentoring and coaching of junior staff, refining of budget boundaries per activity, the roll-out of an electronic pharmacy management system at all facilities, the introduction of an electronic National Health Laboratory Services (NHLS) system in all hospitals and community health centres (CHC), and the roll-out of an electronic ordering system for clinics.

Improving quality of care with focus on implementation and annual self-assessment of the National Core Standards and development and implementation of Quality Improvement Plans to address identified gaps:

- Increase the percentage of hospitals that are compliant with all extreme and vital measures of the core standards to 60 per cent (or more) by March 2020. These include, but are not limited to, measures

which ensure that the safety of patients and staff are safeguarded so as not to result in unnecessary harm or death.

- Achieve and sustain a patient satisfaction rate of 95 per cent (or more) in all health facilities by March 2020.

Improve universal health coverage by implementing the NHI pilot in 3 identified districts:

- Scale up of the ICRM (Operation *Phakisa*) in all PHC facilities.
- Roll-out of the Chronic Medication Dispensing and Supply Model, which is a community-based distribution of chronic medication (pre-packed and distributed at community outlets). This will decongest clinics and hospitals as patients on chronic medication will receive their medication outside health facilities.

4. Receipts and financing

4.1 Summary of receipts

Table 7.1 below gives the source of funding for Vote 7 over the seven-year period 2011/12 to 2017/18. The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 7.1 : Summary of receipts and financing

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|---|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|-------------------|-------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Equitable share | 20 152 053 | 22 014 761 | 23 428 519 | 24 638 533 | 24 636 764 | 24 636 764 | 26 017 187 | 27 476 629 | 28 888 461 |
| Conditional grants | 4 435 205 | 5 023 849 | 5 429 296 | 6 228 886 | 6 428 886 | 6 228 886 | 6 903 719 | 7 264 366 | 7 985 087 |
| Health Professions Training and Development grant | 249 917 | 261 860 | 276 262 | 292 837 | 292 837 | 292 837 | 299 513 | 312 377 | 331 943 |
| Health Facility Revitalisation grant | 906 169 | 1 176 452 | 1 072 531 | 1 162 469 | 1 362 469 | 1 362 469 | 1 229 775 | 1 047 521 | 1 099 898 |
| National Tertiary Services grant | 1 201 831 | 1 323 114 | 1 415 731 | 1 496 427 | 1 496 427 | 1 496 427 | 1 530 246 | 1 596 286 | 1 696 266 |
| Comprehensive HIV and AIDS grant | 1 889 427 | 2 225 423 | 2 652 072 | 3 257 992 | 3 257 992 | 3 057 992 | 3 813 094 | 4 293 096 | 4 840 948 |
| Forensic Pathology Services grant | 161 550 | - | - | - | - | - | - | - | - |
| Social Sector EPWP Incentive Grant for Provinces | 25 775 | - | - | 2 581 | 2 581 | 2 581 | 13 000 | - | - |
| EPWP Integrated Grant for Provinces | 536 | 1 000 | 3 000 | 2 580 | 2 580 | 2 580 | 3 683 | - | - |
| National Health Insurance grant | - | 33 000 | 9 700 | 14 000 | 14 000 | 14 000 | 14 408 | 15 086 | 16 032 |
| AFCON: Medical Services grant | - | 3 000 | - | - | - | - | - | - | - |
| Total receipts | 24 587 258 | 27 038 610 | 28 857 815 | 30 867 419 | 31 065 650 | 30 865 650 | 32 920 906 | 34 740 995 | 36 873 548 |
| Total payments | 24 791 118 | 27 390 533 | 29 531 410 | 30 914 196 | 31 119 465 | 30 919 465 | 32 981 786 | 34 741 665 | 36 873 548 |
| Surplus/(Deficit) before financing | (203 860) | (351 923) | (673 595) | (46 777) | (53 815) | (53 815) | (60 880) | (670) | - |
| Financing | | | | | | | | | |
| of which | | | | | | | | | |
| Provincial roll-overs | 81 838 | - | 14 949 | - | 5 848 | 5 848 | - | - | - |
| Provincial cash resources | - | 252 320 | 346 446 | 46 777 | 47 967 | 47 967 | 60 880 | 670 | - |
| Surplus/(Deficit) after financing | (122 022) | (99 603) | (312 200) | - | - | - | - | - | - |

In 2011/12, an amount of R81.838 million was included against provincial roll-overs, being an approved roll-over of R63.953 million from 2009/10, of commitments relating to the Health Facility Revitalisation grant, which was under-spent in 2009/10, and a roll-over of R17.885 million from 2010/11 in respect of the Comprehensive HIV and AIDS grant.

Also in 2011/12, the department over-spent by R122.022 million. This was attributed to the ongoing processing of various categories of OSD (occupational therapists, advanced maternity staff and artisans), exacerbated by the filling of critical posts required for restructuring of service delivery to bring the department in line with NHI requirements. In addition, there were increased payments to the NHLS related to an agreement to increase the monthly payment from R34 million to R43 million, backdated to January 2011, until such time as the fee for services/flat fee dispute was finalised. There was also a once-off payment of R50 million toward HIV and AIDS costs, as per a special request from the National Department of Health (NDOH), to avert a financial crisis in the NHLS.

In 2012/13, the department received provincial cash resources of R252.320 million for the following:

- R12 million for a vaccine campaign to reduce maternal and child mortality.

- R6.250 million to improve the department's PABX telecommunication systems.
- R185.963 million to address pressures due to an acceleration in various infrastructure projects.
- The balance of R48.107 million was top-up funding for the cost of the higher than budgeted 2012 wage agreement, not fully funded by National Treasury.

Also in 2012/13, the department over-spent by R99.603 million. This was related to the addressing of critical staff needs at PHC level, which included the closing of the gap in standards for municipal clinics taken over from local government, the progressive commissioning of CHCs and the King Dinuzulu Hospital, whereby the department's budget allocations were not keeping pace with new developments. There were also pressures from infrastructure commitments being higher than the budget, and the department being unable to slow down delivery sufficiently during the year to match the final appropriation.

In 2013/14, the department received a roll-over of R14.949 million in respect of the NHI grant. The funds were to be used to pay for medical and surgical equipment, and information technology equipment, which was ordered in 2012/13, but only delivered in 2013/14. Also in 2013/14, the department received additional funding of R346.446 million from provincial cash resources as follows:

- R94.866 million for the take-over costs of McCord Hospital and malpractice insurance premiums.
- R200 million from equitable share funding for infrastructure development pressures.
- R1 million for spending on Operation *Sukuma Sakhe* (OSS) initiatives, as identified by the MEC.
- R50.580 million for the upgrading and refurbishment of the regional laundry in Dundee.

The over-spending of R312.200 million in 2013/14 relates mainly to pressures against medical supplies and medicines from the clearing of backlog payments from 2012/13 (particularly for ARV drugs), and the introduction of new (more expensive) tenders in District Health Services (DHS). Also causing pressure was the increased demand for regional services, as well as costs for TB medication. In addition, there was pressure resulting from medico-legal claims and higher than expected staff exit costs. Most of the litigation is at regional hospital level, with the additional challenge of a high attrition rate among medical specialists (who provide leadership) and critical shortage of specialised nursing staff. Furthermore, there were more staff exits than anticipated, particularly among the nursing staff.

This 2013/14 over-expenditure resulted in unauthorised expenditure in terms of the adoption of the resolutions of SCOPA by the Legislature on 9 December 2014. Thus, in terms of Section 34(2) of the PFMA, the department is liable for the repayment of the over-expenditure. This has resulted in the first instalment of the first charge of R107.607 million being implemented against the budget in 2015/16 and 2016/17. A final instalment of R107.608 million is implemented in 2017/18. This is reflected as a footnote in Tables 7.6 and 7.7 below.

In 2014/15, a roll-over of R5.848 million was approved in respect of the NHI grant, to pay for the development of a patient record system, with orders placed in 2013/14, but only delivered in 2014/15.

The department is also allocated funding from provincial cash resources in 2014/15 for trade creditors and VAT at McCord Hospital (R15.870 million, with minor carry-through of R880 000 in 2015/16 and R670 000 in 2016/17), as well as for operational costs at St. Mary's Hospital (R30.907 million), pending the finalisation of the transaction advisors' investigation into the potential provincialisation of the hospital.

In the 2014/15 Adjusted Appropriation, the department's equitable share was reduced by R1.769 million related to previous years' irregular expenditure. Cabinet approved that, where departments were unable to provide sufficient justification for the irregular expenditure, it becomes a first charge against the vote. Also in 2014/15, the department received additional funding of R200 million for the Health Facility Revitalisation grant to fund in-year infrastructure pressures. This amount was taken from the indirect National Health grant and allocated to the province as a direct grant. Note that, in 2014/15, there is a planned reduction by the NDOH in the Comprehensive HIV and AIDS grant of R280 million, to assist in funding pressures in the NHLS. The department has identified savings of R200 million at the time of writing this report, and still needs to identify a further R80 million.

The department began rolling out the Human Papilloma Virus (HPV) vaccine in 2014/15, which has been shown to prevent cervical cancer in women. The funding for the roll-out in 2014/15 and 2015/16 is made available through the NDOH as an indirect grant. An amount of R42.661 million is added to the provincial equitable share in 2016/17 as the programme becomes integrated into the normal business of provincial health departments.

In 2015/16, the department is allocated additional equitable share funding to assist with the carry-through costs of the under-funded 2014 wage agreement (R79.755 million in 2015/16, R95.748 million in 2016/17 and R138.470 million in 2017/18). Included in provincial cash resources in 2015/16 is R60 million for the anticipated purchase of St. Aiden's Hospital.

It is noted that the Health Facility Revitalisation grant declines in the outer two years of the MTEF due to reforms made to the provincial infrastructure grant system that are intended to institutionalise proper planning for infrastructure. Provinces were informed in 2012/13 by National Treasury that they needed to bid for the infrastructure allocation two years in advance and financial incentives would be built into the infrastructure grant for provinces that implement best practices. The grant is provided with some funding in 2016/17 and 2017/18 due to concerns expressed by provinces over the difficulty in planning ahead without knowing allocations for the two outer years. The "incentive" allocations for the two outer years remain unallocated at National Treasury and will be accessible to provinces when the next round of planning documents are submitted for the 2016/17 MTEF. In this regard, the department received an increase of R139.344 million in 2015/16 in this grant, as the required planning documents were submitted.

It is further noted that a number of conditional grants are affected by the fiscal consolidation cuts announced by the National Minister of Finance in 2014, with cuts in 2015/16 and 2016/17 in the Health Professionals Training and Development grant, the NHI grant and the National Tertiary Services grant. The Comprehensive HIV and AIDS grant was protected from these cuts, but, as mentioned, there is a planned reduction by NDOH in this grant of R280 million in 2014/15, to assist in funding pressures in the NHLS. This grant was also reduced over the 2015/16 MTEF to fund various NHLS functions moved from the provincial sphere to the national sphere. These functions relate to the National Institute of Communicable Diseases (NICD), the National Institute of Occupational Health (NIOH), the National Cancer Registry (NCR) and the teaching, training and research functions of the NHLS. These functions are currently funded through a combination of cross-subsidisation within the NHLS tariffs and a subsidy from NDOH. The funding shift is being moved from both the department's equitable share and from the Comprehensive HIV and AIDS grant on a 60:40 basis. The amounts decreased from the equitable share are R72.008 million, R75.426 million and R79.066 million over the 2015/16 MTEF, while the grant is decreased by R60.991 million, R63.887 million and R66.970 million.

The department has been allocated nine national conditional grants over the seven-year period, and these are described in more detail in Section 5.4.

4.2 Departmental receipts collection

A summary of revenue collected by the Department of Health over the seven-year period under review is reflected in Table 7.2. Details of these departmental receipts are given in *Annexure – Vote 7: Health*.

Table 7.2 : Summary of departmental receipts collection

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 196 395 | 207 758 | 237 077 | 220 512 | 220 512 | 220 512 | 231 538 | 243 810 | 256 000 |
| Transfers received | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | 17 | 12 | 29 | 21 | 21 | 21 | 21 | 22 | 23 |
| Interest, dividends and rent on land | 366 | 140 | 5 988 | 217 | 217 | 217 | 217 | 229 | 240 |
| Sale of capital assets | - | 17 929 | 9 607 | 10 000 | 10 000 | 10 000 | 10 000 | 10 530 | 11 057 |
| Transactions in financial assets and liabilities | 11 220 | 12 650 | 18 046 | 15 411 | 15 411 | 15 411 | 16 182 | 17 040 | 17 892 |
| Total | 207 998 | 238 489 | 270 747 | 246 161 | 246 161 | 246 161 | 257 958 | 271 630 | 285 211 |

The bulk of revenue collected by the department is against *Sale of goods and services other than capital assets*. The major receipts under this category relate to patient fees, boarding fees, rentals, parking fees, and commission charged on PERSAL deductions for insurance premiums and garnishees. The high collection in 2013/14 was due to higher than anticipated receipts on patient fees. This was due to continued joint implementation of revenue enhancement initiatives by the department and Provincial Treasury. Also, the revenue retention incentive by Provincial Treasury, focusing solely on patient fees, is expected to further improve the department's performance going forward.

Most of the remaining revenue categories do not follow a predictable trend, and are not received on a regular basis, such as the sale of redundant equipment and vehicles. For this reason, projections for future years were formulated based on past trends. The collection of revenue from patient fees is influenced by the following factors:

- Due to the socio-economic challenges that exist in the province, most recipients of health services are unable to make a meaningful contribution for the services provided. Through the revenue enhancement programme, the department is focusing on how to optimise revenue from patients who can afford but are currently receiving free services.
- The continued provision of free services at health institutions to pregnant women and children under 16 years of age who do not belong to any medical aid, pensioners, the disabled, the unemployed and patients on the ART programme.
- The ongoing review of the Uniform Patient Fee Structure (UPFS) that is applicable to private hospital patients (PHP), i.e. medical aid patients, statutory cases and patients whose income exceeds the limit for free services, resulting in more groups being exempt from the payment of fees and the reduction in fees payable by certain categories of patients.

The high collection against *Sale of goods and services other than capital assets* in 2013/14 was due to improved recoveries mainly from Road Accident Fund (RAF) and the Compensation of Injuries and Disease Act (COIDA) after a concerted effort aimed at improving revenue collections was instituted by the department. Growth over the 2015/16 MTEF is due to expected sustenance of the momentum to optimise own-revenue collection in respect to the above-mentioned sources.

Fines, penalties and forfeits reflects revenue from staff transgressions (such as illegal parking), which are difficult to anticipate accurately.

Interest, dividends and rent on land largely reflects interest on staff debts. The high 2013/14 amount is due to the high collection on interest on staff debts. The fluctuation over the seven-year period is due to the volatility in staff debts, coupled with interest rate changes.

Sale of capital assets relates largely to the sale of redundant assets such as motor vehicles and equipment. The amounts collected in 2012/13 and 2013/14 are based on the auction sale of vehicles. The amount the department projects to receive over the 2015/16 MTEF is from the auctioning of redundant assets and is budgeted for conservatively due to the inconsistency in collecting revenue from this source.

Transactions in financial assets and liabilities relates to the recovery of staff debts, which emanate mainly from salary over-payments, breached bursary contracts, refunds of previous years' expenditure, etc. The revenue budget grows steadily from 2014/15 through the outer years. It is difficult to project revenue from this category, due to its uncertain nature, thus the growth over the MTEF is inflationary based.

4.3 Donor funding

Donor funding received by the department, which falls outside its voted fund allocation, is summarised in Tables 7.3 and 7.4 below. It is noted that spending on donor funds in Table 7.4 exceeds receipts in Table 7.3 in most years. This is due to the roll-over of unspent receipts from previous financial years offsetting expenditure incurred in future years. These roll-overs related mainly to the Global Fund for HIV and AIDS patients, the European Union PHC project and Atlantic Philanthropies. The bulk of remaining donations are small once-off allocations. The Global Fund for HIV and AIDS patients was largely finalised in 2011/12 and the European Union PHC project was finalised in 2014/15.

Table 7.3 : Details of donor funding

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|------------|--------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Donor funding | 4 231 | 884 | 3 677 | 331 | 331 | 331 | - | - | - |
| Aspen | 3 500 | - | - | - | - | - | - | - | - |
| Comrades Marathon | 10 | - | - | - | - | - | - | - | - |
| Conforth Investments | 151 | - | - | - | - | - | - | - | - |
| European Union | - | - | 2 000 | - | - | - | - | - | - |
| HWSETA Learnership - Bethesda Sub-Campus | 121 | - | - | - | - | - | - | - | - |
| HWSETA Learnership - Edendale Campus | - | 126 | - | - | - | - | - | - | - |
| HWSETA Learnership - Head Office | - | 199 | - | - | - | - | - | - | - |
| HWSETA Learnership - HIV/AIDS Support | - | - | - | - | - | - | - | - | - |
| HWSETA Learnership - King Edward Sub-Campus | 126 | 262 | - | - | - | - | - | - | - |
| HWSETA Learnership - Ngwelezane | - | - | 158 | - | - | - | - | - | - |
| HWSETA Learnership - Nkandla | - | 105 | - | - | - | - | - | - | - |
| HWSETA Learnership - Pharmacy | - | - | 28 | - | - | - | - | - | - |
| HWSETA Learnership - St Aidan's | 323 | - | - | - | - | - | - | - | - |
| HWSETA Learnership - Social & Aux | - | 137 | - | - | - | - | - | - | - |
| HWSETA | - | - | 1 266 | 331 | 331 | 331 | - | - | - |
| MRI Novartis Training | - | 55 | - | - | - | - | - | - | - |
| PSETA Learnership - Church of Scotland, Ekombe and Nkandla Hospitals | - | - | 225 | - | - | - | - | - | - |
| Total | 4 231 | 884 | 3 677 | 331 | 331 | 331 | - | - | - |

Table 7.4 : Details of payments and estimates of donor funding

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Donor funding | 6 227 | 5 353 | 668 | 12 487 | 12 487 | 12 156 | 331 | - | - |
| Aspen | 1 000 | 2 500 | - | - | - | - | - | - | - |
| Astra Zeneca | 14 | 79 | 88 | 29 | 29 | 29 | - | - | - |
| Atlantic Philanthropies | 144 | 1 507 | 305 | 7 617 | 7 617 | 7 617 | - | - | - |
| Bayer Health Care: Greys | - | 6 | - | - | - | - | - | - | - |
| Ben Booysen | 1 | - | - | - | - | - | - | - | - |
| Canadian HIV Trials Network: Greys | 58 | - | - | - | - | - | - | - | - |
| COGTA | 851 | 225 | - | 3 | 3 | 3 | - | - | - |
| Conforth Investments | - | 101 | - | 50 | 50 | 50 | - | - | - |
| Comrades Marathon | 10 | - | - | - | - | - | - | - | - |
| Dept. of Water Affairs and Forestry (Environ HO) | 124 | - | - | - | - | - | - | - | - |
| European Union | 2 462 | 602 | - | 2 000 | 2 000 | 2 000 | - | - | - |
| Global Fund for HIV and AIDS patients | 1 463 | - | - | - | - | - | - | - | - |
| HWSETA Learnership - Bethesda Sub-Campus | - | 101 | - | 20 | 20 | 20 | - | - | - |
| HWSETA Learnership - Edendale Campus | - | - | - | 126 | 126 | 126 | - | - | - |
| HWSETA Learnership - Head Office | - | - | - | 236 | 236 | 236 | - | - | - |
| HWSETA Learnership - HIV and AIDS Support | 15 | - | - | 45 | 45 | 45 | - | - | - |
| HWSETA Learnership - King Edward Sub-Campus | - | 109 | 1 | 278 | 278 | 278 | - | - | - |
| HWSETA Learnership - Mosvold | - | - | - | 91 | 91 | 91 | - | - | - |
| HWSETA Learnership - Mseleni | - | - | - | 12 | 12 | 12 | - | - | - |
| HWSETA Learnership - Ngwelezane | - | - | - | 158 | 158 | 158 | - | - | - |
| HWSETA Learnership - Nkandla | - | - | 73 | 32 | 32 | 32 | - | - | - |
| HWSETA Learnership - Pharmacy | - | - | - | 28 | 28 | 28 | - | - | - |
| HWSETA Learnership - Prince Mshiyeni Hospital | 32 | 21 | 18 | 15 | 15 | 15 | - | - | - |
| HWSETA Learnership - Social and Auxilliary | - | 102 | - | 35 | 35 | 35 | - | - | - |
| HWSETA Learnership - St Aidan's | - | - | 128 | 195 | 195 | 195 | - | - | - |
| HWSETA | - | - | - | 1 266 | 1 266 | 935 | 331 | - | - |
| Impumelelo Trust Innovation | - | - | - | 24 | 24 | 24 | - | - | - |
| MRI Novartis Training | - | - | 55 | - | - | - | - | - | - |
| PSETA Learnership - Church of Scotland, Ekombe and Nkandla Hospitals | - | - | - | 225 | 225 | 225 | - | - | - |
| Rashid Suliman and Associates | 2 | - | - | - | - | - | - | - | - |
| SA Breweries | 48 | - | - | 2 | 2 | 2 | - | - | - |
| Zinc Study (Nu Health and Pfizer)(Greys) | 3 | - | - | - | - | - | - | - | - |
| Total | 6 227 | 5 353 | 668 | 12 487 | 12 487 | 12 156 | 331 | - | - |

In 2008/09 and 2009/10, the department received a donation in two instalments of R6 million each from Atlantic Philanthropies, which was used to strengthen the capacity of nursing education institutions in KZN. These funds could not be fully utilised by 2013/14 due to continued delays experienced with the tender process, and R7.617 million was rolled over to 2014/15. The department anticipates fully spending this funding in 2014/15.

The department received new donor funding in 2014/15 from the Health and Welfare Sector Training Authority (HWSETA) amounting to R331 000. These are funds for the learnership programmes in hospitals still to be identified, and will be spent in 2015/16.

No donations are expected over the 2015/16 MTEF, at this stage.

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification.

Further details are given in Section 6 below, as well as in the *Annexure – Vote 7: Health*.

5.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- National Treasury imposed fiscal consolidation cuts on the equitable share and conditional grant allocations of provinces for 2015/16 and 2016/17. In KZN, the bulk of the equitable share cut is absorbed by reducing the Contingency Reserve, stopping of the Strategic Cabinet Initiatives Fund, etc. As part of the fiscal consolidation, National Treasury has not provided any funding for the carry-through costs of the 2014 wage agreement. Provincial Treasury has provided approximately 40 per cent of the funding from the provincial fiscus, and the department therefore had to fund the balance by internal reprioritisation and lowering growth of non-essential item budgets.
- Provision was made for the carry-through costs of the 2014 wage agreement and an inflationary wage adjustment of 5.6, 5.5 and 5 per cent for each of the three years of the 2015/16 MTEF, respectively. The department also provided for the 1.5 per cent pay progression.
- Where feasible, CPI projections were used to calculate inflation related items.
- Provision has been made for the filling of critical vacant posts to enable the department to meet its service delivery needs, while taking cognisance of the moratorium on the filling of non-critical posts.
- Funding for the eThekweni Metro municipal clinics will be provided *via* transfer payments over the 2015/16 MTEF.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2014/15, will continue to be adhered to over the 2015/16 MTEF, in conjunction with National Treasury Instruction 01 of 2013/14: Cost-containment measures. However, the provincial cost-cutting measures have been updated to include those that were adopted by the Committee of HODs (COHODs) in December 2014, and an updated circular has been reissued to departments and public entities.

5.2 Additional allocations for the 2013/14 to 2015/16 MTEF

Table 7.5 shows additional funding received by the department over the three MTEF periods: 2013/14, 2014/15 and 2015/16.

Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants.

The purpose of such a table is two-fold. Firstly, it shows the quantum of additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated.

The carry-through allocations for the 2013/14 and 2014/15 MTEF periods (i.e. for the financial year 2017/18) are based on the incremental percentage used in the 2015/16 MTEF.

Table 7.5 : Summary of additional provincial allocations for the 2013/14 to 2015/16 MTEF

| R thousand | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|--|----------------|----------------|----------------|----------------|----------------|
| 2013/14 MTEF period | 257 068 | (352) | 140 408 | 146 867 | 154 210 |
| Carry-through of 2012/13 Adjustments Estimate - 2012 wage agreement | 513 767 | 629 426 | 894 376 | 935 517 | 982 293 |
| Census data update and 1%, 2% and 3% baseline cuts | (313 796) | (646 991) | (802 590) | (839 509) | (881 485) |
| National priorities: | 6 517 | 17 213 | 48 622 | 50 859 | 53 402 |
| <i>TB - GeneXpert</i> | 6 517 | 17 213 | 48 622 | 50 859 | 53 402 |
| Regional laundry in Dundee | 50 580 | - | - | - | - |
| 2014/15 MTEF period | | 231 986 | 311 746 | 396 378 | 416 196 |
| Re-grading of clerical staff | | 59 505 | 68 132 | 72 561 | 76 189 |
| Carry-through of previous wage agreements | | 125 704 | 242 734 | 280 486 | 294 510 |
| National priorities: | | - | - | 42 661 | 44 794 |
| <i>Roll-out of HPV Vaccine</i> | | - | - | 42 661 | 44 794 |
| McCord Hospital (trade creditors and VAT) | | 15 870 | 880 | 670 | 703 |
| St Mary's Hospital - operations | | 30 907 | - | - | - |
| 2015/16 MTEF period | | | 47 368 | (1 137) | 36 104 |
| Function shift to Port Health Services to NDOH | | | (20 379) | (21 459) | (22 597) |
| Provincial cash resources: Assist with 2014 wage agreement carry-through | | | 79 755 | 95 748 | 138 470 |
| NHLS - Function shift of NICD, NIOH, NCR and training | | | (72 008) | (75 426) | (79 066) |
| Removal of McCord Hospital (trade creditors and VAT) in 2017/18 | | | - | - | (703) |
| Purchase of St Aidan's Hospital | | | 60 000 | - | - |
| Total | 257 068 | 231 634 | 499 522 | 542 108 | 606 510 |

In the 2013/14 MTEF, the following changes were made to the department's baseline:

- Carry-through costs for the 2012 wage agreement.
- National priority funding for the extension of the TB-GeneXpert system.
- Once-off funding for the upgrading and refurbishment of the regional laundry in Dundee.
- National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced equitable share allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the department was a substantial reduction in the budget over the entire period.

In the 2014/15 MTEF, the following changes were made to the department's baseline:

- Carry-through costs of the re-grading of clerical staff from level 4 to 5 in line with DPSA requirements, as well as the carry-through of previous wage agreements.
- Funding for the roll-out of the HPV vaccine commencing in 2016/17.
- Additional funding related to the trade creditors and VAT costs for McCord Hospital.
- Additional funding in 2014/15 only for operational costs at St. Mary's Hospital, pending the activities of transaction advisors investigating the possible provincialisation of the hospital.

In the 2015/16 MTEF, the following changes are made to the department's baseline:

- Carry-through costs of the 2014 wage agreement. Note that this does not cover the full carry-through costs as National Treasury did not provide provinces with any funds for the above-mentioned wage agreement, in line with fiscal consolidation. As a result, the province has assisted as far as possible in this regard, with approximately 40 per cent of the carry-through costs covered.
- Additional funding related to the purchase of St Aidan's Hospital.
- The budget is reduced as a result of the function shift of Port Health Services to NDOH.
- The budget is also reduced due to NHLS, where it was agreed that the funding of some functions would move from the provincial sphere to the national sphere. These functions are currently funded through a combination of cross-subsidisation within the NHLS tariffs and a subsidy from NDOH. The funding shift is being moved from both the department's equitable share and from the Comprehensive HIV and AIDS grant on a 60:40 basis. The reductions in this table relate to the equitable share reductions only.

- Also shown is the ceasing of funding for McCord Hospital in 2017/18.

Note that additional funding was allocated in the 2012/13 MTEF for improving infrastructure support. Although no longer visible in Table 7.5, this funding was specifically and exclusively appropriated and the department has not yet completed the implementation of its revised infrastructure staffing structure that this funding was intended for. Thus, amounts of R21.743 million, R22.743 million and R23.880 million remain ring-fenced for this purpose over the three years of the 2015/16 MTEF.

5.3 Summary by programme and economic classification

The department has eight budget programmes in total, with four of them directly linked to the core functions of the department, and they fully adhere to the generic Health sector structure.

Tables 7.6 and 7.7 below provide a summary of payments and estimates of these eight programmes, as well as per economic classification.

Table 7.6 : Summary of payments and estimates by programme: Health

| Table No. 6: Summary of payments and estimates by programme: Health | | | | | | | | | |
|---|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|-------------------|-------------------|
| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 577 395 | 635 763 | 689 089 | 581 340 | 581 140 | 581 140 | 737 119 | 776 143 | 818 148 |
| 2. District Health Services | 10 124 651 | 11 516 435 | 12 947 599 | 14 720 035 | 14 726 806 | 14 526 805 | 15 578 862 | 16 620 279 | 17 782 175 |
| 3. Emergency Medical Services | 1 070 387 | 926 036 | 1 009 940 | 1 073 438 | 1 073 438 | 1 073 438 | 1 160 311 | 1 196 476 | 1 256 299 |
| 4. Provincial Hospital Services | 6 897 820 | 7 567 375 | 8 121 196 | 8 788 275 | 8 785 841 | 8 785 841 | 8 775 638 | 9 370 522 | 9 832 823 |
| 5. Central Hospital Services | 3 240 467 | 3 338 850 | 3 640 586 | 3 079 392 | 3 079 392 | 3 079 392 | 3 984 966 | 4 097 277 | 4 368 087 |
| 6. Health Sciences and Training | 860 431 | 901 935 | 999 351 | 1 051 400 | 1 051 367 | 1 051 368 | 1 055 250 | 1 135 410 | 1 192 681 |
| 7. Health Care Support Services | 124 968 | 130 541 | 122 844 | 140 959 | 140 934 | 140 934 | 138 288 | 146 337 | 153 654 |
| 8. Health Facilities Management | 1 894 999 | 2 373 597 | 2 000 806 | 1 479 357 | 1 680 547 | 1 680 547 | 1 551 352 | 1 399 221 | 1 469 681 |
| Total | 24 791 118 | 27 390 533 | 29 531 410 | 30 914 196 | 31 119 465 | 30 919 465 | 32 981 786 | 34 741 665 | 36 873 548 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (107 607) | (107 607) | (107 608) |
| Baseline available for spending after 1st charge | 24 791 118 | 27 390 533 | 29 531 410 | 30 914 196 | 31 119 465 | 30 919 465 | 32 874 179 | 34 634 058 | 36 765 940 |

Table 7.7 : Summary of payments and estimates by economic classification: Health

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|--|-----------------|------------|------------|-----------------------|---------------------------|---------------------|-----------------------|------------|------------|
| R thousand | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 22 374 653 | 24 746 845 | 26 890 291 | 28 624 542 | 28 780 978 | 28 545 638 | 30 780 575 | 32 579 143 | 34 548 177 |
| Compensation of employees | 15 118 307 | 16 886 345 | 18 676 776 | 20 188 402 | 20 211 032 | 20 109 624 | 21 138 481 | 22 383 173 | 23 592 758 |
| Goods and services | 7 256 326 | 7 860 500 | 8 213 347 | 8 436 140 | 8 569 946 | 8 435 393 | 9 642 094 | 10 195 970 | 10 955 419 |
| Interest and rent on land | 20 | - | 169 | - | - | 621 | - | - | - |
| Transfers and subsidies to: | 515 845 | 486 764 | 740 159 | 692 479 | 694 193 | 860 320 | 648 156 | 681 322 | 711 308 |
| Provinces and municipalities | 88 878 | 26 330 | 79 199 | 137 663 | 157 672 | 185 808 | 111 290 | 117 762 | 122 050 |
| Departmental agencies and accounts | 23 249 | 25 351 | 11 370 | 13 069 | 13 069 | 15 927 | 16 171 | 17 025 | 17 876 |
| Higher education institutions | - | 57 | 501 | - | - | 16 | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | 66 | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 273 487 | 277 586 | 256 751 | 250 647 | 230 638 | 225 153 | 215 100 | 227 412 | 235 953 |
| Households | 130 231 | 157 440 | 392 339 | 291 100 | 292 814 | 433 350 | 305 595 | 319 123 | 335 429 |
| Payments for capital assets | 1 900 011 | 2 156 923 | 1 867 332 | 1 597 175 | 1 644 294 | 1 513 101 | 1 445 448 | 1 373 593 | 1 506 456 |
| Buildings and other fixed structures | 1 048 172 | 1 662 936 | 1 530 972 | 1 249 773 | 1 269 855 | 1 219 675 | 1 143 659 | 1 014 780 | 1 130 675 |
| Machinery and equipment | 825 384 | 493 987 | 336 179 | 347 402 | 374 439 | 293 426 | 301 789 | 358 813 | 375 781 |
| Heritage Assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | 26 455 | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | 181 | - | - | - | - | - | - |
| Payments for financial assets | 609 | 1 | 33 629 | - | - | 406 | 107 607 | 107 607 | 107 607 |
| Total | 24 791 118 | 27 390 533 | 29 531 410 | 30 914 196 | 31 119 465 | 30 919 465 | 32 981 786 | 34 741 665 | 36 873 548 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (107 607) | (107 607) | (107 608) |
| Baseline available for spending after 1st charge | 24 791 118 | 27 390 533 | 29 531 410 | 30 914 196 | 31 119 465 | 30 919 465 | 32 874 179 | 34 634 058 | 36 765 940 |

As explained previously, the department is liable for the repayment of previous year's over-expenditure, resulting in a first charge against the department's budget in all three years of the 2015/16 MTEF, and this is reflected under Programme 1: Administration and against *Payments for financial assets*. This is shown below the total in Tables 7.6 and 7.7.

Most programmes show sustained growth from 2011/12 to 2017/18, with conditional grants accounting for a significant portion of this increase. As previously mentioned, the allocation for the Health Facility Revitalisation grant declines in the two outer years due to the reforms that were made to the provincial infrastructure grant system that are intended to institutionalise proper planning for infrastructure. This affects Programme 8: Health Facilities Management and *Buildings and other fixed structures* in 2016/17 and 2017/18.

Apart from the carry-through costs from previous financial years, expenditure in 2011/12 included an increase in general health capacity and national priorities such as personnel and goods, OSDs for medical personnel, maternal and child health, and public hospital norms and standards.

The increase over the 2015/16 MTEF incorporates the carry-through costs of previous wage agreements, the increases to existing conditional grants, as well as R42.661 million additional funding in 2016/17 for the roll-out of the HPV vaccine, as previously mentioned.

The increase in Programme 1: Administration in 2012/13 was due to improved personnel capacity at head office to reduce dependence on consultants, as well as to improve audit outcomes, to cover extensive fraud investigations at head office and to provide for an increase in municipal services and security costs. The project to replace redundant computer equipment in order to address the risk of losing essential data also contributed to the high growth in 2012/13. The increase in 2013/14 was due to pressures from forensic investigations, communications and computer services. The high growth in 2015/16 is attributed to the baseline being under-funded in previous years.

The increase in Programme 2: District Health Services over the seven years relates mainly to the restructuring of the department to improve service delivery at the PHC level. In addition, expenditure included the various wage agreements, increases in the Comprehensive HIV and AIDS grant, as well as OSDs for medical personnel and the roll-out of the HPV vaccine (in 2016/17). The increase in 2012/13 was caused by over-expenditure due to the restructuring of PHC services, increased costs of ARV medication and micro-nutrients, municipal domestic charges, computer and essential medical equipment, as well as vehicles ordered in 2011/12, but only delivered in 2012/13. The increase in 2013/14 was related mainly to pressures in medicines, particularly for ARVs and medical supplies due to the clearing of backlog payments from 2012/13, higher than expected litigation costs (medico-legal claims mainly in respect of maternity related cases), as well as staff exit costs, with more nurses leaving employment than expected. The increase in the 2014/15 Adjusted Appropriation is due to the filling of critical nursing posts in terms of the community outreach programmes and the roll-out of flu and HPV vaccines. The decrease in the 2014/15 Revised Estimate relates to the previously mentioned savings identified for the planned reduction by NDOH in the Comprehensive HIV and AIDS grant of R280 million, to assist in funding pressures in the NHLS. The 2015/16 MTEF includes funding for the carry-through costs of previous wage agreements, as mentioned, and general capacity building, as well as strong growth in the Comprehensive HIV and AIDS grant, particularly in 2016/17.

In Programme 3: Emergency Medical Services, the overall growth is due to the continued drive to improve emergency medical services. The high spending in 2011/12 was due to the once-off purchase of additional ambulances to continue the expansion of services to under-served areas. The lower 2012/13 outcome was mainly due to the slow pace of filling emergency medical personnel posts. This process is dependent on the availability of skilled staff and the ambulance conversion process. Also contributing to the decrease were savings on repairs of vehicles due to the replacement of part of the fleet with new EMS vehicles. The increase in 2013/14 was mainly due to the increased demand for air ambulance services, increasing fuel costs and pressures arising from the implementation of danger allowances for paramedic staff. The 2015/16 MTEF includes carry-through costs for the various wage agreements, OSD payments, funding to expand emergency medical services, as well as the carry-through costs of the danger allowance.

Overall, Programme 4: Provincial Hospital Services grows consistently over the entire period. The increase in 2012/13 was due to increased demand in various non-negotiable items such as medicines, blood transfusion costs, as well as unexpected increased costs for water and electricity. The increase in 2013/14 was mainly due to the higher than expected medico-legal claims against the state and higher than anticipated staff exit costs, as well as pressures in the cost of medicines. The minor decrease in the

2014/15 Adjusted Appropriation relates to the movement of funds to Programme 2 to offset pressures in municipal clinics. The 2015/16 MTEF includes carry-through costs for previous wage agreements.

The growth in Programme 5: Central Hospital Services from 2011/12 to 2017/18 relates mainly to the provision for the development and improvement of tertiary services. The impact of the introduction of the various OSDs for medical personnel, higher than average medical inflation and the Rand/Dollar exchange rate are also reflected in the trends. The increase in 2012/13 was mainly due to higher than expected costs for the PPP at the Inkosi Albert Luthuli Central Hospital (IALCH). These costs are subject to exchange rate fluctuations, which were significantly higher in the latter half of 2012/13. In addition, there was some over-spending against medical supplies, also influenced by the exchange rate and medical inflation. The 2015/16 MTEF includes carry-through costs of previous wage agreements.

Programme 6: Health Sciences and Training shows consistent growth. The increase in 2012/13 relates primarily to funding to train an additional 148 learners in basic life and support skills for emergency and medical rescue services. The increase in 2013/14 related to training of additional doctors (351) under the Cuban Doctors' programme, which commenced in 2012/13. Additional doctors were enrolled in this programme in 2014/15 accounting for the increase in 2014/15. Growth over the 2015/16 MTEF accounts for inflation only.

Programme 7: Health Care Support Services is to enable the provincial Medical Supply Centre to carry sufficient medical stock to meet demand. The significant reduction in 2013/14 was because there was no need to top-up the Medicine Trading Account in that financial year, due to sufficient funding. From 2013/14, the department centralised the Laundry and Orthotic and Prosthetic Services as separate sub-programmes within Programme 7 in accordance with the generic budget structure for the sector, and historical data was adjusted accordingly. The decrease in 2015/16 relates to once-off spending in 2014/15 for the purchase of linen and motor vehicles for the commissioning of Prince Mshiyeni Laundry services.

Programme 8: Health Facilities Management is mainly financed through conditional grant funding, and the performance of this programme is directly linked to the Health Facility Revitalisation grant. The variances in this programme also account for the variances against *Buildings and other fixed structures*. The increase in 2012/13 was due to the acceleration in the delivery of infrastructure projects such as Dr. Pixley ka Seme Hospital, Pomeroy and Dannhauser CHCs, King Dinuzulu Hospital (former King George V Hospital) TB Complex, alterations and additions to the Lower Umfolozi War Memorial (LUWM) Hospital, as well as the upgrade of electrical reticulation at the Ngwelezane District Hospital. The pressure in the delivery of infrastructure projects already on site continued in 2013/14, and hence the increases in 2013/14 which also included pressures in the supply of the KZN Provincial Laundry and essential health technology equipment, LUWM Hospital for alterations and additions, as well as for the upgrade of electrical systems at the Ngwelezane District Hospital. The increase in the 2014/15 Adjusted Appropriation relates to the previously mentioned additional R200 million received for the Health Facility Revitalisation grant. As mentioned, baseline cuts were effected in relation to the fiscal consolidation against both the equitable share and conditional grants, as well as funding reprioritised from the equitable share portion of this programme, to other programmes to cover the cost of commissioning facilities which have been completed and for which no funding was provided, for example, King Dinuzulu Hospital, Dannhauser CHC, Pomeroy CHC and clinics.

Compensation of employees shows a strong upward trend from 2011/12 to 2017/18, mainly due to the carry-through costs of the various OSDs for medical personnel and other staff categories, as well as higher than anticipated wage agreements. In addition, from 2010/11 (not shown in the table), the department commenced restructuring its service delivery by strengthening services at PHC level. This required the employment of additional personnel at clinics and CHCs. Funding was provided from 2011/12 for the OSDs for medical personnel, health team pilots and models and improving hospital norms and standards, among others, with substantial growth in 2012/13 and 2013/14 for the latter items. In addition, there were carry-through costs for OSDs and improving infrastructure support. The increase in 2013/14 was mainly due to the late implementation of OSD for maternity nursing staff, and the filling of critical HIV and AIDS and CHC posts. The increase in 2014/15 is due to pressures from the take-over of McCord Hospital (R53 million), the 2014 annual wage agreement being higher than budgeted (R171 million) and the absorption of staff (mainly community service) with contractual obligations (R70 million). The increase in

the 2014/15 Adjusted Appropriation was largely to fund pressures in the EPWP Integrated Grant for Provinces, where grant funding for contract workers was exhausted. The decrease in the 2014/15 Revised Estimate is due to slow recruitment process and the deferment of the filling of some posts to 2015/16. The growth over the 2015/16 MTEF is mainly for inflationary adjustments. Note that, as previously mentioned, approximately 40 per cent of the pressure from the 2014 wage agreement has been funded through the provincial fiscus, with the balance having to be funded through internal reprioritisation.

Goods and services increases substantially from 2011/12 to 2017/18. This increase is primarily related to the increase in demand for health services, the high rate of inflation on medical supplies and services, as well as increased catering and fuel costs. Other contributing factors are the increasing demand for ART, treatment of MDR/XDR TB, the introduction of specific projects such as the reduction of infant and child mortality through immunisation, the HPV vaccine campaign, as well as a substantial increase in the Comprehensive HIV and AIDS grant. The increase in 2013/14 included pressure from ARVs and other medication, forensic investigations and rising fuel costs. The increase in the 2014/15 Adjusted Appropriation relates to the acceleration in the maintenance and repairs of existing facilities, pressures in forensic investigations, IT services and consultants. In addition, there are pressures against medicine (increased demand for HPV and flu vaccines and oral contraceptives), increased contract prices for medical supplies and security, patient catering and groceries. The decrease in the 2014/15 Revised Estimate is due to forced savings to address pressures for medico-legal claims and pressures against municipal clinics. The growth over the 2015/16 MTEF, and particularly in 2016/17, includes additional funding for ARV treatment, the carry-through costs of national priority initiatives, acceleration in the day-to-day maintenance of existing facilities, as well as inflationary adjustments. Note that the department continues to provide for the payment of NHLS costs *via* a flat fee (although approximately R230 million higher than previous years) rather than a fee-for-service mechanism. Note that, as mentioned previously, there has been a reduction in the department's equitable share for the shifting of various NHLS functions to national, and these reductions were effected across *Goods and services* items other than NHLS.

In 2013/14 and the 2014/15 Revised Estimate, spending on *Interest and rent on land* largely relates to interest costs on medico-legal claims, with minor spending in 2011/12 being interest on an over-due account.

The fluctuations from 2011/12 to 2013/14 against *Transfers and subsidies to: Provinces and municipalities* was mainly due to the non-signing of SLAs by municipalities relating to municipal clinics. Adding to the reduction in 2012/13 was the provincialisation of some municipal clinics. The increase in 2013/14 relates to funding for carry-over payments from 2012/13 following delays in the signing of SLAs with uMlalazi Municipality, as well as municipalities in the uMgungundlovu and Ilembe districts. The increase in 2014/15 relates to funding provided for the commitment to assist the municipal clinics in the treatment of HIV and AIDS, as well as funding for carry-over payments from 2013/14 following delays in the signing of SLAs with the eThekweni Metro and uMhlathuze Municipality. Most municipal clinics were taken over by the department by the end of 2012/13. The increase in the 2014/15 Adjusted Appropriation relates to municipal clinics' carry-over expenditure from 2013/14, due to the late presentation of invoices. The funding in the 2015/16 MTEF is for the eThekweni Metro only, with the final two clinics in uMhlathuze provincialised in 2014/15. The increase over the MTEF, and particularly in 2016/17, caters for the commitment to assist the non-provincialised municipal clinics in the treatment of HIV and AIDS.

The decrease against *Transfers and subsidies to: Departmental agencies and accounts* in 2013/14 was because there was no need to top-up the Medicine Trading Account in that year. The increase in the 2014/15 Revised Estimate relates to under-budgeting for HWSETA. The increasing trend over the 2015/16 MTEF provides for the HWSETA levy, in line with the growth in *Compensation of employees*.

The decrease in *Transfers and subsidies to: Non-profit institutions* in 2013/14 was due to the transfers budgeted for McCord Hospital, which were no longer required following the negotiations and take-over by the state. The reduction in the 2014/15 Adjusted Appropriation and the Revised Estimate is due to funds earmarked for further negotiations with the non-profit institutions across various sub-programmes and thus not allocated to any specific project, being reprioritised to offset the previously mentioned pressures under the municipal clinics. The lower growth over the 2015/16 MTEF is due to the provincialisation of McCord

Hospital as the funding for the hospital has moved to other categories such as *Compensation of employees* and *Goods and services*, as discussed in more detail above. In addition, the department made provision for the phased-in contribution to the KZN Children's Hospital infrastructure and renovations up to 2013/14, with no provision made thereafter.

The fluctuations reflected in *Transfers and subsidies to: Households* relate to staff exit costs, litigation and the Cuban Doctors' programme. The peak in 2013/14 was related to the higher than expected claims against the state (litigation costs) and pressures regarding the increase in the number of students in the Cuban Doctors' programme. The increase in the 2014/15 Revised Estimate is due to unanticipated litigation costs, as well as an increase in the Cuban Doctors' programme. The decrease in 2015/16 is due to the once-off nature of the litigation costs in 2013/14 and 2014/15, while the slower growth over the remainder of the MTEF is attributed to the need to scale down the number of new bursaries to be awarded, due to the previously mentioned Census based budget cuts, as well as the difficulty in estimating the litigation and staff exit costs.

As mentioned in Programme 8 above, the trends for *Buildings and other fixed structures* show a strong increase due to the ongoing focus on improving physical facilities, including the provision of essential equipment. Much of this increase is attributable to significant increases in the Health Facility Revitalisation grant, as well as the development of forensic pathology services, affecting mainly *Buildings and other fixed structures*. The significant increase in 2012/13 was attributed to acceleration in a number of infrastructure projects on site that could not be stopped without incurring further costs to the department. These included the Dr. Pixley ka Seme Hospital, the Pomeroy and Dannhauser CHCs, the King Dinuzulu Hospital TB Complex, alterations and additions to the LUWM Hospital, as well as the upgrade of electrical reticulation at the Ngwelezane District Hospital. From 2013/14, the trend reduces in line with the availability of funds, and the reprioritisation of some of this funding from new projects to accelerate the day-to-day maintenance of existing infrastructure. The increase in the 2014/15 Adjusted Appropriation is due to additional funding received for the Health Facility Revitalisation grant, offset largely by reprioritisation to *Goods and services* for accelerating the maintenance of facilities. The decrease in the 2014/15 Revised Estimate is due to further pressures in maintenance. The MTEF trend is affected by the previously mentioned reduction in the Health Facility Revitalisation grant from 2015/16. Major projects to be funded over the 2015/16 MTEF include the new Dr. Pixley ka Seme Hospital, Ngwelezane Hospital (construct new 192 bed medical ward) and Stanger Hospital (construct new labour and neo-natal ward).

The high base in *Machinery and equipment* in 2011/12 relates mainly to the drive undertaken to clear the backlog in the procurement of essential health technology equipment and to replace all redundant and leased computer and printing equipment. In addition, there were purchases of additional motor vehicles for the ward-based community outreach programme, the replacement of old ambulances, the purchase of additional ambulances to expand emergency medical services to under-served rural areas, which all contributed to the high base in 2011/12. The decrease in 2012/13 and 2013/14 was due to the Census related baseline cuts and the department had to reprioritise funding to other non-negotiable service delivery imperatives. The A-G ruling in 2011/12, that all equipment expenditure incurred against the PPP agreement for IALCH should be paid from current expenditure, also contributed to this sharp decline. The increase in the 2014/15 Adjusted Appropriation was due to funding moved from *Buildings and other fixed structures* to fund the replacement of essential medical equipment. The decrease in the 2014/15 Revised Estimate can mainly be attributed to the Census related baseline budget cuts which were made, as the funding is required for committed and contracted capital projects which are in construction phase. The MTEF trend grows strongly to provide for the cyclical replacement of essential medical equipment.

The spending against *Land and subsoil assets* in 2011/12 was due to the department being obliged to purchase additional land for the Dr. Pixley ka Seme Hospital because of its status change from a district to a regional hospital and the municipal assessment of the site requiring a larger area, as well as the purchase of the Richmond Chest Hospital.

Payments for financial assets reflect debts that were written-off over the period, as well as the previously mentioned first charge over the 2015/16 MTEF.

5.4 Summary of conditional grant payments and estimates

Tables 7.8 and 7.9 illustrate conditional grant payments and estimates from 2011/12 to 2017/18. Details of all conditional grants are listed below, with further detail given in *Annexure – Vote 7: Health*. Note that the historical figures set out in Tables 7.8 and 7.9 for the period 2011/12 to 2014/15 indicate the actual receipts for each grant, as well as other technical adjustments, and therefore should not be compared to the figures reflected in Table 7.1 above.

Table 7.8 : Summary of conditional grants payments and estimates by name

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Health Professions Training and Development grant | 249 917 | 261 860 | 276 262 | 292 837 | 292 837 | 292 837 | 299 513 | 312 377 | 331 942 |
| Health Facility Revitalisation grant | 906 169 | 1 176 514 | 1 072 529 | 1 162 469 | 1 362 469 | 1 362 469 | 1 229 775 | 1 047 521 | 1 099 898 |
| National Tertiary Services grant | 1 201 831 | 1 323 114 | 1 415 743 | 1 496 427 | 1 496 427 | 1 496 427 | 1 530 246 | 1 596 286 | 1 696 266 |
| Comprehensive HIV and AIDS grant | 1 907 312 | 2 225 423 | 2 651 997 | 3 257 992 | 3 257 992 | 3 057 992 | 3 813 094 | 4 293 096 | 4 840 949 |
| Forensic Pathology Services grant | 161 550 | - | - | - | - | - | - | - | - |
| Social Sector EPWP Incentive Grant for Provinces | 25 775 | - | - | 2 581 | 2 581 | 2 581 | 13 000 | - | - |
| EPWP Integrated Grant for Provinces | 536 | 1 000 | 3 000 | 2 580 | 2 580 | 2 580 | 3 683 | - | - |
| National Health Insurance grant | - | 17 115 | 15 520 | 14 000 | 19 848 | 19 848 | 14 408 | 15 086 | 16 032 |
| AFCON 2013: Medical Services grant | - | 1 672 | - | - | - | - | - | - | - |
| Total | 4 453 090 | 5 006 698 | 5 435 051 | 6 228 886 | 6 434 734 | 6 234 734 | 6 903 719 | 7 264 366 | 7 985 087 |

Table 7.9 : Summary of conditional grants payments and estimates by economic classification

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 3 494 958 | 3 710 600 | 4 339 798 | 5 036 932 | 5 036 232 | 4 838 467 | 5 676 469 | 6 176 360 | 6 851 703 |
| Compensation of employees | 2 067 124 | 2 132 513 | 2 725 666 | 3 007 647 | 3 012 474 | 3 021 222 | 3 176 492 | 3 473 270 | 3 748 750 |
| Goods and services | 1 427 834 | 1 578 087 | 1 614 127 | 2 029 285 | 2 023 758 | 1 817 245 | 2 499 977 | 2 703 089 | 3 102 952 |
| Other | - | - | 5 | - | - | - | - | - | - |
| Transfers and subsidies to: | 14 749 | 11 336 | 16 464 | 78 411 | 80 111 | 66 941 | 67 009 | 68 797 | 68 797 |
| Provinces and municipalities | 55 | - | 7 | 47 000 | 50 000 | 40 001 | 30 000 | 32 000 | 32 000 |
| Departmental agencies and accounts | 56 | - | - | - | - | - | - | - | - |
| Universities and technikons | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 12 871 | 11 336 | 12 742 | 25 370 | 22 370 | 18 664 | 27 000 | 28 429 | 28 429 |
| Households | 1 767 | - | 3 715 | 6 041 | 7 741 | 8 276 | 10 009 | 8 368 | 8 368 |
| Payments for capital assets | 943 383 | 1 284 762 | 1 078 790 | 1 113 543 | 1 318 391 | 1 329 324 | 1 160 241 | 1 019 209 | 1 064 587 |
| Buildings and other fixed structures | 733 971 | 979 788 | 1 021 353 | 912 508 | 1 112 508 | 1 112 508 | 1 143 659 | 1 004 773 | 1 050 150 |
| Machinery and equipment | 198 005 | 304 974 | 57 438 | 201 035 | 205 883 | 216 816 | 16 582 | 14 436 | 14 437 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | 11 407 | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | 2 | - | - | - |
| Total | 4 453 090 | 5 006 698 | 5 435 051 | 6 228 886 | 6 434 734 | 6 234 734 | 6 903 719 | 7 264 366 | 7 985 087 |

The Health Professions Training and Development grant supports the department in providing funding for operational costs associated with the training and development of health professionals, development and recruitment of medical specialists in under-served provinces and support and strengthen under-graduate teaching and training processes in health facilities. The trend in this grant over the seven years reflects inflationary increases only. A decision was taken in 2011/12 to use the grant to fund the personnel costs of registrars only. Note that the previously mentioned fiscal consolidation cuts are effected against this grant, with reductions of R6.795 million and R10.164 million in 2015/16 and 2016/17, respectively. The grant receives additional funding of R9.401 million in 2017/18.

The Health Facility Revitalisation grant has the following aims:

- To enable provinces to plan, manage, modernise, rationalise and transform the infrastructure, health technology, monitoring and evaluation of hospitals and to transform hospital management and improve quality of care, in line with national policy objectives.
- To accelerate the construction, maintenance, upgrading and rehabilitation of new and existing health infrastructure.

- To supplement provincial funding of health infrastructure, to accelerate the provision of health facilities including office furniture and related equipment, as well as to ensure proper maintenance of provincial health infrastructure for nursing colleges and schools.

The significant growth in the Health Facility Revitalisation grant relates primarily to the intensive drive to improve the physical health facilities in KZN. The increase in 2013/14 relates to the need to address infrastructure pressures during this period. The increase in the 2014/15 Adjusted Appropriation relates to the previously mentioned R200 million allocated to this grant for pressures in committed infrastructure projects. Also mentioned previously, is that the grant is now provided with funding in 2016/17 and 2017/18 due to concerns expressed by provinces over the difficulty in planning ahead without knowing allocations for the two outer years. The “incentive” allocations for the two outer years remain unallocated at National Treasury and will be accessible to provinces when the next round of planning documents are submitted for the 2016/17 MTEF. However, the department received an increase in 2015/16 in this grant of R139.344 million, as the required planning documents were submitted.

The National Tertiary Services grant is used to enable provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform in line with national policy objectives, including improving access and equity. The increasing trend relates mainly to additional funding provided for the modernisation of tertiary services. The previously mentioned fiscal consolidation cuts are also effected against this grant with reductions of R35.017 million and R51.936 million in 2015/16 and 2016/17, respectively. The grant receives additional funding of R48.044 million in 2017/18.

The Comprehensive HIV and AIDS grant is provided to enable the sector to develop effective and integrated management of HIV and AIDS, to support the implementation of the National Operational Plan for comprehensive HIV and AIDS treatment and care and to subsidise, in part, funding for the ARV treatment programme. The substantial growth indicates the critical importance placed on managing this pandemic. From 2012/13, funding was increased to enable the ARV threshold to be reduced to a CD4 count of 350. The grant continues to grow strongly over the MTEF, with the growth in 2016/17 providing for increased ARV take-up rate and the impact of the withdrawal of the President’s Emergency Plan for AIDS Relief (PEPFAR) donor funding used for HIV and AIDS prevention, care and treatment programmes within this grant. Furthermore, KZN has succeeded in motivating for an increase based on the fact that, historically, KZN received 25 per cent of the national grant funding, while carrying approximately 31 per cent of the national case-load. This funding, reallocated from other provinces, is phased in over two years (2014/15 and 2015/16) to allow other provinces time to adjust to their lower levels of funding. The grant also provides for the CD4 threshold rising from 350 to 500 from 2015/16 onward. Although this grant has been protected from the fiscal consolidation cuts, it is affected by the previously mentioned NHLS function shift to national, with cuts of R280 million in 2014/15 (R200 million savings already identified in the Revised Estimate, with the balance still to be found), as well as R60.991 million, R63.887 million and R66.970 million over the MTEF. Substantial additional funding of R550.935 million is allocated in 2017/18 for the raising of the CD4 threshold from 350 to 500.

The Forensic Pathology Services grant was used to develop and provide comprehensive forensic pathology services and to ensure impartial professional evidence for the criminal justice system concerning death due to unnatural causes. Funding was phased into the equitable share from 2012/13.

The Social Sector EPWP Incentive Grant for Provinces subsidised non-profit organisations in home community-based care programmes to provide stipends to previously unpaid volunteers to maximise job creation and skills development in line with the EPWP guidelines. There was no funding for this grant in 2012/13 and 2013/14 and these functions were paid from the equitable share. With the resumption of the grant in 2014/15 and 2015/16, the department utilises the funding to subsidise home-based community care-givers (CCG). The grant grows strongly in 2015/16 due to historical data regarding CCGs reported to the National Department of Public Works.

The EPWP Integrated Grant for Provinces is used to enhance the number of full time equivalent jobs created through labour intensive infrastructure programmes, which utilises local people to maintain grounds and clean buildings. This grant is allocated on an annual basis, hence no funds are allocated in the two outer years of the 2015/16 MTEF, at this stage.

The National Health Insurance grant provides financial support for the development of projects directed at improving health delivery in line with the requirements of the introduction of the NHI. The grant was reduced significantly from 2013/14, due to an indirect National Health grant, which will be spent by the NDOH on behalf of provinces. The new grant has two components, one to support infrastructure projects and the second to support the NHI scheme pilots. The high amount in the 2014/15 Adjusted Appropriation relates to a roll-over of R5.848 million from 2013/14 for a patient record system, ordered in 2013/14 but only delivered in 2014/15. Growth over the 2015/16 MTEF is for inflationary purposes.

The AFCON 2013: Medical Services grant was a grant which provided once-off funding in 2012/13 for support to the African Cup of Nations (AFCON) tournament.

The increase from 2012/13 in *Compensation of employees* results mainly from the decision to incorporate the payment of registrars (medical specialists in training) into the Health Professions Training and Development grant, the increase in the number of HIV and AIDS projects driven by the improved HIV and AIDS ARV policy resulting in the need to employ more staff, and the implementation of the OSDs for medical personnel. The high growth in the outer year relates to additional funds for the Comprehensive HIV and AIDS grant, allocated to enhance staffing levels to match the growth in levels of treatment.

The significant increase in *Goods and services* from 2012/13 onward is directly linked to the growth in the Comprehensive HIV and AIDS grant. This is linked to the funding provided for ARVs, the anticipated increase in the uptake of additional patients on the ARV programme, the increased cost of the ARV medicines to be covered by the department's budget due to the ceasing of funding by international donors, the increased costs of micro-nutrients, as well as the provision for the male circumcision programme. The decrease in the 2014/15 Adjusted Appropriation relates to the movement within the grant to *Compensation of employees* for pressures related to voluntary counselling and testing staff. The further reduction in the 2014/15 Revised Estimate is the above-mentioned savings identified for the NHLS. The growth over the MTEF has been reduced by the previously mentioned function shift of part of the NHLS to national.

Transfers and subsidies to: Provinces and municipalities grows significantly in 2014/15 related to support for municipal clinics in the treatment of HIV and AIDS. The increase in the 2014/15 Adjusted Appropriation relates to HIV and AIDS pressures in municipal clinics. The reduction in 2015/16 is due to the provincialisation of uMhlathuze municipal clinics. The funding against *Transfers and subsidies to: Non-profit institutions* relates to similar support to NGOs for treatment related to HIV and AIDS.

The increasing trend in *Buildings and other fixed structures* over the seven-year period relates to the drive to improve infrastructure, with significant increases in the Health Facility Revitalisation grant. The increase in 2013/14 relates to over-expenditure against the Health Facility Revitalisation grant. The increase in the 2014/15 Adjusted Appropriation was mainly to provide for expenditure pressures due to the acceleration of projects in progress, such as Dr. Pixley ka Seme Hospital. The MTEF trend is downward from 2016/17 due to the previously mentioned decrease in the Health Facility Revitalisation grant.

The fluctuations in *Machinery and equipment* relate to the variation in the business plans of the grants related to this category, mainly the Health Facility Revitalisation grant and the National Tertiary Services grant. The substantial decrease in 2013/14 is attributed to reprioritisation to *Buildings and other fixed structures* to address pressures. The increase in the 2014/15 Adjusted Appropriation is due to the previously mentioned roll-over related to the NHI grant with the further increase in the Revised Estimate due to the purchase of vehicles in the Comprehensive HIV and AIDS grant. The MTEF allocations have been made in accordance with the business plans of the relevant grants. However, the decrease in 2016/17 relates to the previously mentioned decrease in the Health Facility Revitalisation grant.

5.5 Summary of infrastructure payments and estimates

Table 7.10 below presents a summary of infrastructure payments and estimates by categories for Vote 7. Detailed information on infrastructure is given in the *Annexure – Vote 7: Health*. The infrastructure trend shows a substantial increase from 2011/12 to 2013/14, resulting from a focussed drive by the department to improve its physical facilities and medical equipment to an acceptable level. Thereafter, the trend decreases due to the previously mentioned baseline cuts and reductions in conditional grants, affecting

mainly *New infrastructure assets: Capital, Upgrades and additions: Capital*, as well as *Refurbishment and rehabilitation: Capital*.

Over the seven-year period, the department has provided for the building of additional CHCs and clinics in line with its service delivery plan, as well as the upgrading or replacement of hospitals and clinics in a state of disrepair.

Table 7.10 : Summary of infrastructure payments and estimates by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Existing infrastructure assets | 928 875 | 1 675 290 | 1 480 827 | 1 159 753 | 1 273 435 | 1 311 210 | 925 285 | 781 358 | 666 248 |
| Maintenance and repair: Current | 423 950 | 439 636 | 325 401 | 232 193 | 303 190 | 353 223 | 363 758 | 337 441 | 287 006 |
| Upgrades and additions: Capital | 399 883 | 1 015 627 | 840 089 | 758 765 | 709 245 | 684 533 | 402 569 | 205 937 | 224 412 |
| Refurbishment and rehabilitation: Capital | 105 042 | 220 027 | 315 337 | 168 795 | 261 000 | 273 454 | 158 958 | 237 980 | 154 830 |
| New infrastructure assets: Capital | 856 919 | 654 434 | 475 909 | 382 023 | 359 420 | 345 431 | 578 921 | 580 863 | 761 434 |
| Infrastructure transfers | 10 000 | 20 000 | 20 022 | - | - | - | - | - | - |
| Infrastructure transfers: Current | - | - | 22 | - | - | - | - | - | - |
| Infrastructure transfers: Capital | 10 000 | 20 000 | 20 000 | - | - | - | - | - | - |
| Infrastructure: Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure: Leases | - | - | - | - | - | - | - | - | - |
| Total | 1 795 794 | 2 349 724 | 1 976 758 | 1 541 776 | 1 632 855 | 1 656 641 | 1 504 206 | 1 362 221 | 1 427 682 |
| <i>Capital infrastructure</i> | <i>1 371 844</i> | <i>1 910 088</i> | <i>1 651 335</i> | <i>1 309 583</i> | <i>1 329 665</i> | <i>1 303 418</i> | <i>1 140 448</i> | <i>1 024 780</i> | <i>1 140 676</i> |
| <i>Current infrastructure</i> | <i>423 950</i> | <i>439 636</i> | <i>325 423</i> | <i>232 193</i> | <i>303 190</i> | <i>353 223</i> | <i>363 758</i> | <i>337 441</i> | <i>287 006</i> |

Maintenance and repair: Current expenditure fluctuates over the period. The higher amounts in 2011/12 and 2012/13 were a result of a conscious decision taken by the department to accelerate delivery on day-to-day maintenance and small maintenance projects after Provincial Treasury expressed a concern over significant under-expenditure against this category in 2010/11. The reduction in 2013/14 was due to poor performance relating to no-period contracts in place for the department, as well as poor performance from contractors. The funding was moved to *Buildings and other fixed structures* to accommodate the over-committed value of projects in construction. The increase in the 2014/15 Adjusted Appropriation and further increase in the Revised Estimate relate to funding reprioritised from *Upgrades and additions: Capital* to address pressures in maintenance costs. The department planned to have period contracts in place by the end of 2014/15 and those for electrical and mechanical maintenance are on track, but the process for building maintenance period contracts has not yet commenced. Over the 2015/16 MTEF, the trend reduces in line with the previously mentioned 2011 Census related baseline cuts.

Upgrades and additions: Capital grew strongly in 2012/13 as a result of good progress at the King Dinuzulu Hospital TB complex, alterations and additions to the LUWM Hospital, as well as the upgrade of electrical reticulation at the Ngwelezane District Hospital. The significant decrease in 2013/14 was due to the Dundee regional laundry not commencing, the acquisition of St. Aidan's Hospital did not materialise, as well as slow spending on the King Dinuzulu Hospital health technology equipment and Natalia building phase 1 and 2 projects. The decrease in the 2014/15 Adjusted Appropriation and Revised Estimate relates to the previously mentioned reprioritisation to *Maintenance and repair: Current* to address spending pressures in maintenance. Mitigating this movement to some degree, was once-off additional funding received for the Health Facilities Revitalisation grant, as mentioned previously. As mentioned above, this category shows a marked decline over the 2015/16 MTEF due to the Census-based baseline cuts effected in 2013/14. The decrease in 2016/17 relates to the previously mentioned decrease in the Health Facility Revitalisation grant.

Refurbishment and rehabilitation: Capital shows strong growth from 2011/12 to 2013/14, with the significant increase in 2013/14 due to the refurbishment of Addington Hospital and the KZN provincial laundry in eThekweni. Also contributing was the renovation of the maternity, female and paediatric wards at the Mosveld Hospital, as well as the complete renovation of the Ekuhlangeni Life Care Centre. The increase in the 2014/15 Adjusted Appropriation and Revised Estimate relates to the previously mentioned once-off additional funding for the Health Facility Revitalisation grant. The decrease in 2015/16 is due to the Census-based baseline cuts effected from 2013/14. The trend over the two outer years of the MTEF relates to project requirement, but is also affected by the previously mentioned decrease in the Health Facility Revitalisation grant.

The fluctuations in *New infrastructure assets: Capital* from 2011/12 to 2014/15 relate to a conscious decision made by management to increase funding provided for the maintenance, upgrading, rehabilitation and refurbishment of existing infrastructure in order to preserve these facilities. The high spending against *New infrastructure assets: Capital* in 2011/12 relates to an improvement in performance of Ithala and IDT in respect of the Turton, KwaMashu and Pomeroy CHCs, as well as the nursing accommodation project at St. Apollinaris Hospital. This improvement resulted from the meeting held with the implementing agents to demand improved performance from them. The spending in 2012/13 is attributed to the faster than expected progress at the Pomeroy and Dannhauser CHCs, as well as office and residential accommodation lease agreements being higher than initially forecast. The leases were identified as current expenditure and from 2013/14 they are being paid accordingly. The decrease in 2013/14 relates to the previously mentioned budget cuts and to slowing of pace of construction to remain within budget at the King Dinuzulu and Dr. Pixley ka Seme Hospitals, as well as the Phoenix Mortuary. The decrease in the 2014/15 Adjusted Appropriation and Revised Estimate relates to reprioritisation to maintenance projects. The main project contributing to the growth in 2015/16 is the Dr. Pixley ka Seme Hospital. Also affecting the growth is the construction of CHCs in Dannhauser, Jozini and Bruntville. The fluctuations over the 2015/16 MTEF relate to project requirements, as well as the previously mentioned decrease in the Health Facility Revitalisation grant.

The funds reflected under *Infrastructure transfers: Capital* from 2011/12 to 2013/14 are for the transfer to the KZN Children's Hospital Trust for the development and refurbishment of the KZN Children's Hospital in eThekweni, which was completed in 2013/14 in terms of the SLA agreement with the trust.

5.6 Summary of Public Private Partnerships (PPP)

Table 7.11 below provides a summary of PPP projects in the department. In 2002/03, the department entered into a PPP with Impilo Consortium (Pty) Ltd. The agreement covered the provision of equipment, information management and technology and facilities management for the IALCH. This agreement focuses on the department's clinical services at the hospital, and promotes the hospital as a central referral hospital, operating at the highest standards in terms of quality, efficiency, effectiveness and patient focused care. Note that the current contract with Impilo Consortium (Pty) Ltd comes to an end in 2016/17, and the Provincial Treasury PPP unit is currently assisting the department regarding its exit strategy and final works.

Table 7.11 : Summary of departmental Public-Private Partnership projects

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Projects signed in terms of Treasury Regulation 16 | 543 190 | 647 788 | 679 454 | 657 435 | 657 435 | 681 636 | 701 000 | 731 000 | - |
| PPP unitary charge* | 543 190 | 647 788 | 679 454 | 657 435 | 657 435 | 681 636 | 701 000 | 731 000 | - |
| Total | 543 190 | 647 788 | 679 454 | 657 435 | 657 435 | 681 636 | 701 000 | 731 000 | - |

* Only projects that have received Treasury approval

Payments made for services rendered are index-linked and are thus subject to movements in CPI, as well as the Rand/Dollar exchange rate. Payments over the 2015/16 MTEF were calculated based on current estimates. The increase in 2012/13 was due to the cost of medical inflation being higher than anticipated and an additional payment of R70 million on the PPP, made by IALCH to address a backlog in quarterly payments. The decline to zero in 2017/18 is due to the anticipated ending of the PPP in 2017.

5.7 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

5.8 Transfers to other entities

Table 7.12 provides a list of entities that receive funding from the department for the provision of general clinic, HIV and AIDS, district hospital, general hospital and TB services. The fluctuations across the seven years relate mainly to the inclusion/exclusion of entities, as well as to the implementation of OSD for doctors in certain institutions which qualify.

Table 7.12 : Summary of departmental transfers to other entities

| R thousand | Sub-programme | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|--|-------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Austerville Halfway House | 2.2: Comm. Hlth Clinics | 500 | 525 | 520 | 536 | 536 | 536 | 552 | 569 | - |
| Azalea House | 2.2: Comm. Hlth Clinics | 462 | 485 | 480 | 495 | 495 | 495 | 510 | 525 | - |
| Claremont Day Care Centre | 2.2: Comm. Hlth Clinics | 353 | 371 | 367 | 378 | 378 | 378 | 389 | 401 | - |
| Ekukhanyeni Clinic (AIDS step down centre) | 2.2: Comm. Hlth Clinics | 884 | 926 | 946 | 938 | 938 | 938 | 967 | - | - |
| Elandskop Clinic | 2.2: Comm. Hlth Clinics | 436 | 458 | 187 | 440 | 440 | 440 | - | - | - |
| Humana People to People | 2.6: HIV and AIDS | - | - | 2 073 | 4 328 | 4 328 | 4 328 | 3 131 | - | - |
| Enkumane Clinic | 2.2: Comm. Hlth Clinics | 263 | 276 | 271 | 265 | 265 | 265 | - | - | - |
| Ethembeni Care Centre | 2.6: HIV and AIDS | 3 692 | 4 366 | 4 715 | 5 027 | 5 027 | 4 213 | 5 179 | - | - |
| Ikwezi Cripple Care | 2.2: Comm. Hlth Clinics | 1 443 | 1 515 | 1 136 | 1 170 | 1 170 | 1 170 | 1 205 | 1 242 | - |
| Lyn House | 2.2: Comm. Hlth Clinics | 562 | 590 | 584 | 593 | 593 | 593 | 611 | 629 | - |
| Madeline Manor | 2.2: Comm. Hlth Clinics | 809 | 849 | 841 | 866 | 866 | 866 | 892 | 919 | - |
| Magaye school for the Blind | 2.2: Comm. Hlth Clinics | - | - | - | 500 | 500 | 500 | 515 | 530 | - |
| Matikwe Oblate Clinic | 2.2: Comm. Hlth Clinics | 472 | 496 | 491 | 486 | 486 | 486 | 481 | - | - |
| McCord Hospital | Various | 90 042 | 70 251 | 52 959 | 15 870 | 7 347 | 4 562 | 880 | 670 | - |
| Mountain View Hospital | Various | 9 496 | 9 971 | 9 871 | 9 773 | 9 773 | 9 773 | 9 675 | - | - |
| Noyi Bazi Oblate Clinic | 2.2: Comm. Hlth Clinics | 477 | 501 | 496 | 511 | 511 | 511 | - | - | - |
| Philanjalo Hospice (step down centre) | 2.6: HIV and AIDS | 2 109 | 2 881 | 3 378 | 2 811 | 2 811 | 2 811 | 2 525 | 2 500 | - |
| Power of God | 2.6: HIV and AIDS | - | - | - | 1 100 | 1 100 | 1 100 | 1 133 | 1 167 | - |
| John Peattie House | 2.2: Comm. Hlth Clinics | 1 284 | 1 348 | 1 335 | 1 139 | 1 139 | 1 139 | 1 173 | 1 208 | - |
| Jona Vaughn Centre | 2.2: Comm. Hlth Clinics | 2 247 | 2 359 | 2 335 | 2 017 | 2 017 | 2 017 | 2 077 | 2 139 | - |
| Keep a Child Alive | 2.2: Comm. Hlth Clinics | - | - | - | 3 000 | - | - | - | - | - |
| KZN Blind and Deaf Society | 2.2: Comm. Hlth Clinics | - | - | - | 800 | 800 | 800 | 824 | 849 | - |
| Scadifa Centre | 2.2: Comm. Hlth Clinics | 913 | 959 | 949 | 925 | 925 | 925 | 953 | 982 | - |
| Siloah Hospital | Various | 15 702 | 19 149 | 18 958 | 21 873 | 21 873 | 21 873 | 21 934 | - | - |
| Sparkes Estate | 2.2: Comm. Hlth Clinics | 1 016 | 1 067 | 445 | 1 099 | 1 099 | 1 099 | 1 132 | 1 166 | - |
| St Lukes Home | 2.2: Comm. Hlth Clinics | 695 | 730 | 430 | 443 | 443 | 443 | 456 | 470 | - |
| The Bekimpelo Trust | 2.2: Comm. Hlth Clinics | 7 238 | 7 600 | 7 904 | 8 141 | 8 141 | 8 141 | 8 385 | - | - |
| Other entities | Various | 27 418 | 34 403 | 25 245 | 2 275 | 1 886 | - | 667 | 1 394 | - |
| St Mary's Hosp Marianhill | Various | 101 837 | 112 226 | 116 963 | 151 465 | 151 465 | 151 465 | 124 174 | - | - |
| Genesis Care Centre | 2.6: HIV and AIDS | 2 763 | 2 891 | 2 487 | 2 889 | 2 889 | 2 889 | 2 861 | - | - |
| Earmarked for further negotiations | Various | - | - | - | 8 097 | - | - | 21 410 | 209 631 | 235 953 |
| Rainbow Haven | 2.9: District Hospitals | 374 | 393 | 385 | 397 | 397 | 397 | 409 | 421 | - |
| Total departmental transfers | | 273 487 | 277 586 | 256 751 | 250 647 | 230 638 | 225 153 | 215 100 | 227 412 | 235 953 |

The effect of the higher than anticipated wage agreements and the OSD for doctors is shown under those institutions which qualify for the state salary increases.

The reduction in 2013/14 results from the previously mentioned reduction in transfer to McCord Hospital following its take-over by the province, as well as delays in signing SLAs for various NGOs. The further decrease in 2014/15 is due to the ceasing of funding for McCord Hospital as it has been taken over as a provincial hospital and funding has been moved to other categories. The amounts depicted in 2014/15 to 2016/17 relate to the take-over costs of the hospital. In addition, the funding for the KZN Children's Hospital Trust for the development and refurbishment of this hospital in the eThekweni Metro, ceases due to the completion of the contract. The decrease in the 2014/15 Adjusted Appropriation and Revised Estimate relate to funds *Earmarked for further negotiations* which were not required and thus moved, mainly to fund pressures in municipal clinics.

Over the MTEF, the baseline growth is for inflationary purposes only. Note that the funds against *Earmarked for further negotiations* are funds awaiting recommendations upon receipt of requests for additional or new funding from the districts (for NGOs). These funds will be allocated as soon as the figures from the department's Committee for Grant Funding are received. For the 2015/16 amount, this will take place early in 2015/16 and will therefore be formalised in the 2015/16 Adjustments Estimate, while the process for 2016/17 onward will be completed in time for the 2016/17 MTEF budget process.

5.9 Transfers to local government

Table 7.13 indicates transfers to local government, per category of municipality. All transfers are made to a single grant, namely municipal clinics within the sub-programme: Community Health Clinics.

It is also noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and hence these are excluded from the table below. Although these funds are earmarked for transfer to municipalities, the transfer is dependent upon the provision of satisfactory services in line with SLAs signed by municipalities. The purpose of the transfer is to subsidise primary health care for services provided by

local authorities/municipal clinics. Until the negotiations for the take-over of these clinics have been finalised, these funds will remain in this category.

Further details of amounts per grant type and municipality are given in *Annexure – Vote 7: Health*.

Table 7.13 : Summary of departmental transfers to local government by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|--------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Category A | 47 212 | - | 61 051 | 109 000 | 129 009 | 169 473 | 105 000 | 111 048 | 115 000 |
| Category B | 38 828 | 22 893 | 13 685 | 23 600 | 23 600 | 10 642 | - | - | - |
| Category C | - | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | 86 040 | 22 893 | 74 736 | 132 600 | 152 609 | 180 115 | 105 000 | 111 048 | 115 000 |

The amounts from 2011/12 to 2017/18 in Category A, pertain to the eThekweni Metro, and relate to transfers to municipal clinics within the Metro. The nil expenditure in 2012/13 against Category A was due to a delay in the signing of the SLAs with eThekweni. The significant increase from 2013/14 to the 2014/15 Revised Estimate relates to the department's decision to provide additional funding to meet the health funding requirements of the clinics in the Metro and the transfer payment expenditure carried over from 2012/13 and 2013/14 due to delays in the signing of SLAs, as previously mentioned. The increase over the MTEF is largely due to the commitment to assist clinics with pressures in the treatment of HIV and AIDS, the extension of hours of services, as well as to cater for an increase in neonatal services.

The fluctuations in Category B relate to the anticipated provincialisation of municipal clinics. The majority of the municipal clinics were taken over by the department by the end of 2012/13, and funding in 2014/15 only provides for the uMhlathuze Municipality whose clinics were provincialised by December 2014, hence no funding is provided over the 2015/16 MTEF. In addition, funding was provided in 2012/13 for the finalisation of the provincialisation of clinics in uMlalazi (uThungulu), as well as municipalities in the uMgungundlovu and Ilembe Districts.

5.10 Transfers and subsidies

Table 7.14 gives a summary of spending on *Transfers and subsidies* by programme and main category. The various trends in each programme are explained above and below the table as follows:

- In Programmes 1, 2 and 4, the amounts reflected against *Departmental agencies and accounts* relate to TV licences which arose from an amendment to SCOA in 2012/13, shifting the allocation from *Goods and services* to this category. Historical data was restated for comparison purposes.
- In Programme 1, all motor vehicle licences for the department are now centralised within this programme (except for Programme 3) and historical data has been restated. However, the department inadvertently omitted to move the entire budget from Programmes 2, 4, 5, 6, and 7 in the Adjustments Estimate process and this explains the residual amounts that remain in the 2014/15 Adjusted Appropriation and Revised Estimate columns in these programmes.
- In Programme 1, the fluctuations in *Households* are mainly due to staff exit costs.
- The reduction in Programme 2 against *Provinces and municipalities* in 2012/13 resulted from the provincialisation of some municipal clinics. The significant increase in 2013/14 and 2014/15 relates to the eThekweni Metro and uMhlathuze Municipality for additional funding to assist clinics in the treatment of HIV and AIDS. The further increase in the 2014/15 Adjusted Appropriation and Revised Estimate relates to municipal clinics' carry-over expenditure from 2013/14, due to the late presentation of invoices. The decline in 2015/16 is due to the provincialisation of uMhlathuze municipal clinics and provision is made for the remaining eThekweni Metro clinics over the MTEF.
- In Programme 2, the reduction in *Non-profit institutions* in 2012/13 resulted from the decision to re-assess the NGO institutions and to enter into new agreements, resulting in a number of the allocations to these institutions being lower than in the past. The minimal growth in 2013/14, 2014/15 and further reduction in 2015/16 is due the provincialisation of McCord Hospital. The amounts allocated over the 2015/16 MTEF provide for inflationary increases only.

Table 7.14 : Summary of transfers and subsidies by programme and main category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 4 362 | 7 977 | 3 201 | 3 061 | 4 630 | 6 565 | 6 101 | 6 519 | 6 845 |
| Provinces and municipalities | 996 | 1 900 | 1 952 | 60 | 1 629 | 3 035 | 3 100 | 3 359 | 3 527 |
| Motor vehicle licences | 996 | 1 900 | 1 952 | 60 | 1 629 | 3 035 | 3 100 | 3 359 | 3 527 |
| Departmental agencies and accounts | 1 | - | - | 1 | 1 | 1 | 1 | 1 | 1 |
| SABC - TV licences | 1 | - | - | 1 | 1 | 1 | 1 | 1 | 1 |
| Higher education institutions | - | - | 3 | - | - | - | - | - | - |
| Donations & gifts higher education institutions | - | - | 3 | - | - | - | - | - | - |
| Foreign government and international organisations | - | - | - | - | - | 66 | - | - | - |
| Foreign government gift exchange | - | - | - | - | - | 66 | - | - | - |
| Households | 3 365 | 6 077 | 1 246 | 3 000 | 3 000 | 3 463 | 3 000 | 3 159 | 3 317 |
| Social benefits | 3 215 | 2 289 | 1 236 | 3 000 | 3 000 | 3 463 | 3 000 | 3 159 | 3 317 |
| Other transfer to households | 150 | 3 788 | 10 | - | - | - | - | - | - |
| 2. District Health Services | 326 249 | 268 218 | 333 524 | 391 617 | 394 240 | 451 459 | 332 658 | 349 025 | 361 893 |
| Provinces and municipalities | 86 040 | 22 893 | 74 736 | 134 838 | 153 806 | 180 647 | 105 000 | 111 048 | 115 000 |
| Motor vehicle licences | - | - | - | 2 238 | 1 197 | 532 | - | - | - |
| Municipalities - municipal clinics | 86 040 | 22 893 | 74 736 | 132 600 | 152 609 | 180 115 | 105 000 | 111 048 | 115 000 |
| Departmental agencies and accounts | 130 | 6 | 21 | 32 | 32 | 41 | 38 | 41 | 43 |
| SABC - TV licences | 130 | 6 | 21 | 32 | 32 | 41 | 38 | 41 | 43 |
| Non-profit institutions | 213 387 | 204 686 | 207 922 | 220 147 | 202 102 | 194 288 | 182 000 | 192 558 | 199 356 |
| Non-profit institutions | 213 387 | 204 686 | 207 922 | 220 147 | 202 102 | 194 288 | 182 000 | 192 558 | 199 356 |
| Households | 26 692 | 40 633 | 50 846 | 36 600 | 38 300 | 76 483 | 45 620 | 45 378 | 47 494 |
| Social benefits | 26 479 | 29 841 | 47 441 | 36 600 | 38 300 | 55 209 | 45 620 | 45 378 | 47 494 |
| Other transfers to households | 213 | 10 792 | 3 405 | - | - | 21 274 | - | - | - |
| 3. Emergency Medical Services | 3 230 | 4 165 | 3 946 | 4 340 | 4 340 | 3 909 | 4 891 | 5 148 | 5 406 |
| Provinces and municipalities | 1 842 | 1 537 | 2 511 | 2 040 | 2 040 | 1 949 | 3 190 | 3 355 | 3 523 |
| Motor vehicle licences | 1 842 | 1 537 | 2 511 | 2 040 | 2 040 | 1 949 | 3 190 | 3 355 | 3 523 |
| Departmental agencies and accounts | - | - | - | - | - | 1 | 1 | 2 | 2 |
| SABC - TV licences | - | - | - | - | - | 1 | 1 | 2 | 2 |
| Households | 1 388 | 2 628 | 1 435 | 2 300 | 2 300 | 1 959 | 1 700 | 1 791 | 1 881 |
| Social benefits | 915 | 970 | 862 | 1 368 | 1 368 | 1 279 | 750 | 791 | 831 |
| Other transfers to households | 473 | 1 658 | 573 | 932 | 932 | 680 | 950 | 1 000 | 1 050 |
| 4. Provincial Hospital Services | 68 019 | 68 886 | 124 336 | 67 085 | 64 651 | 120 228 | 63 607 | 66 995 | 70 346 |
| Provinces and municipalities | - | - | - | 549 | 79 | 80 | - | - | - |
| Motor vehicle licences | - | - | - | 549 | 79 | 80 | - | - | - |
| Departmental agencies and accounts | 47 | 56 | 15 | 36 | 36 | 64 | 77 | 82 | 86 |
| SABC - TV licences | 47 | 56 | 15 | 36 | 36 | 64 | 77 | 82 | 86 |
| Non-profit institutions | 35 802 | 37 770 | 28 829 | 30 500 | 28 536 | 30 865 | 33 100 | 34 854 | 36 597 |
| Non-profit institutions | 35 802 | 37 770 | 28 829 | 30 500 | 28 536 | 30 865 | 33 100 | 34 854 | 36 597 |
| Households | 32 170 | 31 060 | 95 492 | 36 000 | 36 000 | 89 219 | 30 430 | 32 059 | 33 663 |
| Social benefits | 21 083 | 26 561 | 35 867 | 36 000 | 36 000 | 43 096 | 30 430 | 32 059 | 33 663 |
| Other transfers to households | 11 087 | 4 499 | 59 625 | - | - | 46 123 | - | - | - |
| 5. Central Hospital Services | 5 384 | 4 920 | 45 259 | 5 004 | 5 004 | 26 022 | 10 324 | 10 856 | 11 399 |
| Provinces and municipalities | - | - | - | 4 | 4 | 8 | - | - | - |
| Motor vehicle licences | - | - | - | 4 | 4 | 8 | - | - | - |
| Departmental agencies and accounts | - | - | 52 | - | - | 52 | 54 | 57 | 60 |
| SABC - TV licences | - | - | 52 | - | - | 52 | 54 | 57 | 60 |
| Households | 5 384 | 4 920 | 45 207 | 5 000 | 5 000 | 25 962 | 10 270 | 10 799 | 11 339 |
| Social benefits | 5 254 | 4 812 | 11 387 | 4 790 | 4 790 | 3 779 | 10 270 | 10 798 | 11 338 |
| Other transfers to households | 130 | 108 | 33 821 | 210 | 210 | 22 183 | - | 1 | 1 |
| 6. Health Sciences and Training | 83 335 | 96 105 | 208 586 | 220 698 | 220 665 | 251 069 | 230 000 | 242 173 | 254 782 |
| Provinces and municipalities | - | - | - | 48 | 15 | 15 | - | - | - |
| Motor vehicle licences | - | - | - | 48 | 15 | 15 | - | - | - |
| Departmental agencies and accounts | 8 588 | 10 119 | 11 282 | 13 000 | 13 000 | 15 768 | 16 000 | 16 842 | 17 684 |
| HWSETA | 8 588 | 10 119 | 11 282 | 13 000 | 13 000 | 15 768 | 16 000 | 16 842 | 17 684 |
| Higher education institutions | - | 57 | 498 | - | - | 16 | - | - | - |
| Donations & gifts higher education institutions | - | 57 | 498 | - | - | 16 | - | - | - |
| Non-profit institutions | 14 298 | 15 130 | - | - | - | - | - | - | - |
| Non-profit institutions | 14 298 | 15 130 | - | - | - | - | - | - | - |
| Households | 60 449 | 70 799 | 196 806 | 207 650 | 207 650 | 235 270 | 214 000 | 225 331 | 237 098 |
| Social benefits | 1 397 | 1 650 | 2 083 | 2 000 | 2 000 | 1 929 | 2 000 | 2 107 | 2 213 |
| Other transfers to households | 59 052 | 69 149 | 194 723 | 205 650 | 205 650 | 233 341 | 212 000 | 223 224 | 234 885 |
| 7. Health Support Services | 14 483 | 16 493 | 1 285 | 674 | 649 | 1 032 | 575 | 606 | 637 |
| Provinces and municipalities | - | - | - | 124 | 99 | 74 | - | - | - |
| Motor vehicle licences | - | - | - | 124 | 99 | 74 | - | - | - |
| Departmental agencies and accounts | 14 483 | 15 170 | - | - | - | - | - | - | - |
| Social security funds | 512 | - | - | - | - | - | - | - | - |
| Medicine Trading Account | 13 971 | 15 170 | - | - | - | - | - | - | - |
| Households | - | 1 323 | 1 285 | 550 | 550 | 958 | 575 | 606 | 637 |
| Social benefits | - | 1 318 | 1 285 | 550 | 550 | 958 | 575 | 606 | 637 |
| Other transfers to households | - | 5 | - | - | - | - | - | - | - |
| 8. Health Facilities Management | 10 783 | 20 000 | 20 022 | - | 14 | 36 | - | - | - |
| Non-profit institutions | 10 000 | 20 000 | 20 000 | - | - | - | - | - | - |
| KZN Childrens' Hospital Trust | 10 000 | 20 000 | 20 000 | - | - | - | - | - | - |
| Households | 783 | - | 22 | - | 14 | 36 | - | - | - |
| Social benefits | 783 | - | 22 | - | 14 | 36 | - | - | - |
| Total | 515 845 | 486 764 | 740 159 | 692 479 | 694 193 | 860 320 | 648 156 | 681 322 | 711 308 |

- With regard to Programme 3, the fluctuating trend against *Households* pertains to staff exit costs. The fluctuating trend against *Provinces and municipalities* relates to motor vehicle licenses and depends on the purchase and disposal of EMS vehicles.
- In Programme 4, the reduction against *Non-profit institutions* in 2013/14 was the result of the reassessment of all the department's non-profit institutions. The reduction in the 2014/15 Adjusted Appropriation is due to the decision to move unallocated funding for non-profit institutions to other service delivery pressures. This decision was not carried over the 2015/16 MTEF, hence the substantial increase in 2015/16 with provision for inflationary increases in the outer years. The increase in the 2014/15 Revised Estimate is due to pressures at NGOs related to TB treatment.
- The increase against Programme 5 in 2013/14 against *Households* relates to higher than expected staff exit costs. The high spending in the 2014/15 Revised Estimate relates to medico-legal claims against the department. No provision was made for these claims over the 2015/16 MTEF period due to the Census and fiscal consolidation baseline budget cuts, hence the negative growth in 2015/16.
- In Programme 6, *Departmental agencies and accounts* relates to the compulsory levy paid to the HWSETA on an annual basis and shows strong growth from 2011/12 through to 2014/15, in line with the growth in *Compensation of employees*. The increase in the 2014/15 Revised Estimate is due to a re-assessment of the levy calculation which the department had under-budgeted for.
- Also in Programme 6, the significant increase against *Households* over the entire period (and particularly in 2013/14) relates to the department's decision to implement intensive training programmes through bursaries to address the shortage of personnel in the health fields, including the previously mentioned Cuban Doctors' programme. The increase over the 2015/16 MTEF relates to inflationary adjustments with no plans to expand the bursary programme due to budget pressures.
- In Programme 7, the spending against *Departmental agencies and accounts* in 2011/12 and 2012/13 results from the additional funding that was required to enable the provincial Medical Supply Centre to carry sufficient medical stock to meet demand. The decrease in 2013/14 was due to the account having sufficient funding for the supply of pharmaceuticals and medical sundries, with no top-up needed. This situation is carried through over the 2015/16 MTEF.
- In Programme 8 in 2011/12 and the subsequent two years, the department transferred funds to the KZN Children's Hospital Trust for the development and refurbishment of this hospital in the eThekweni Metro. There is no funding over the MTEF as all payments were completed in 2013/14 in terms of the SLA agreement with the trust.

6. Programme description

The services rendered by this department are categorised under eight programmes, further details of which are discussed below. The department largely conforms to the uniform budget structure for the Health sector. The information for each programme is given in terms of sub-programmes and economic classification, with details of economic classification given in *Annexure – Vote 7: Health*.

6.1 Programme 1: Administration

Programme 1 comprises two sub-programmes, namely Office of the MEC and Management, with the objectives of providing overall strategic leadership, co-ordination and management of activities toward the achievement of optimal health status of all the communities in the province, as well as the administration of the department in line with good governance practice. The programme also includes the formulation of policies and strategies in line with national and provincial priorities.

Tables 7.15 and 7.16 summarise information for the period 2011/12 to 2017/18. It is the department's policy to keep the allocation of this programme to a maximum of two per cent of total budget, which has been achieved over the past four years and will be maintained over the 2015/16 MTEF. Note that the costs for computer services against *Goods and services* have been centralised from all programmes to this programme from 2013/14, and historical data has been amended for comparative purposes.

Table 7.15 : Summary of payments and estimates by sub-programme: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Office of the MEC | 15 615 | 20 371 | 17 011 | 19 498 | 19 498 | 15 939 | 18 189 | 19 160 | 20 118 |
| 2. Management | 561 780 | 615 392 | 672 078 | 561 842 | 561 642 | 565 201 | 718 930 | 756 983 | 798 030 |
| Total | 577 395 | 635 763 | 689 089 | 581 340 | 581 140 | 581 140 | 737 119 | 776 143 | 818 148 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (107 607) | (107 607) | (107 608) |
| Baseline available for spending after 1st charge | 577 395 | 635 763 | 689 089 | 581 340 | 581 140 | 581 140 | 629 512 | 668 536 | 710 540 |

Table 7.16 : Summary of payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 463 100 | 531 385 | 610 665 | 571 829 | 570 060 | 549 130 | 615 311 | 653 405 | 694 653 |
| Compensation of employees | 208 965 | 246 972 | 273 361 | 307 734 | 307 734 | 295 591 | 326 673 | 345 804 | 371 672 |
| Goods and services | 254 115 | 284 413 | 337 290 | 264 095 | 262 326 | 253 501 | 288 638 | 307 601 | 322 981 |
| Interest and rent on land | 20 | - | 15 | - | - | 38 | - | - | - |
| Transfers and subsidies to: | 4 362 | 7 977 | 3 201 | 3 061 | 4 630 | 6 565 | 6 101 | 6 519 | 6 845 |
| Provinces and municipalities | 996 | 1 900 | 1 952 | 60 | 1 629 | 3 035 | 3 100 | 3 359 | 3 527 |
| Departmental agencies and accounts | 1 | - | - | 1 | 1 | 1 | 1 | 1 | 1 |
| Higher education institutions | - | - | 3 | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | 66 | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 3 365 | 6 077 | 1 246 | 3 000 | 3 000 | 3 463 | 3 000 | 3 159 | 3 317 |
| Payments for capital assets | 109 386 | 96 400 | 41 594 | 6 450 | 6 450 | 25 438 | 8 100 | 8 612 | 9 043 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 109 386 | 96 400 | 41 413 | 6 450 | 6 450 | 25 438 | 8 100 | 8 612 | 9 043 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | 181 | - | - | - | - | - | - |
| Payments for financial assets | 547 | 1 | 33 629 | - | - | 7 | 107 607 | 107 607 | 107 607 |
| Total | 577 395 | 635 763 | 689 089 | 581 340 | 581 140 | 581 140 | 737 119 | 776 143 | 818 148 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (107 607) | (107 607) | (107 608) |
| Baseline available for spending after 1st charge | 577 395 | 635 763 | 689 089 | 581 340 | 581 140 | 581 140 | 629 512 | 668 536 | 710 540 |

The decrease in 2014/15 and 2015/16 is attributed to the decision to scale down in respect of the procurement of new computers and motor vehicles and focus on the replacement of essential equipment only. The replacement of all leased computer and printing equipment was also mostly completed in 2012/13, hence there was minimal spending on this project from 2013/14. Growth in the two outer years of the MTEF is for inflationary purposes only.

The increasing trend in *Compensation of employees* from 2012/13, as well as the increase over the 2015/16 MTEF, relates to the need to improve management capacity at head office to address the challenges of service delivery. The high growth in 2012/13 and 2013/14 is attributed to the provision for financial management capacity to improve audit outcomes and filling of various critical posts related to the SCM and Asset Management functions. The low spending in the 2014/15 Revised Estimate is due to the decision to defer the filling of head office posts to 2015/16, hence higher growth in 2015/16 and 2016/17. Note that additional funding was allocated in the 2012/13 MTEF for improving infrastructure support. As mentioned earlier, this funding was specifically and exclusively appropriated and the department has not yet completed the implementation of its revised infrastructure staffing structure that this funding was intended for. Thus, amounts of R21.743 million, R22.743 million and R23.880 million remain ring-fenced within this category for this purpose over the three years of the 2015/16 MTEF.

The growth in *Goods and services* from 2012/13 reflects the decision to include funding to support infrastructure capacity building. The reduction in 2014/15 and over the 2015/16 MTEF period relates to the projected forced savings from computer services and the reduced utilisation of consultants in disciplinary cases, with only complex cases to be referred to consultants.

The expenditure against *Interest and rent on land* relates to interest paid on overdue accounts.

The expenditure against *Transfers and subsidies to: Provinces and municipalities* is for motor vehicle licences. The increases over the 2015/16 MTEF relate to inflationary adjustments as only replacement vehicles will be purchased. Note that, in the 2014/15 Adjustments Appropriation, the department centralised all motor vehicle licences under Programme 1, with the exception of Programme 3. All historical data was restated for comparative purposes. However, the department inadvertently omitted to move the entire budget from Programmes 2, 4, 5, 6, and 7 in the Adjustments Appropriation process and this explains the residual amounts that remain in the 2014/15 Adjusted Appropriation and Revised Estimate columns in these programmes.

Transfers and subsidies to: Departmental agencies and accounts relates to payments for TV licences.

The fluctuating trend in *Transfers and subsidies to: Households* is due to staff exit costs.

The high base in *Machinery and equipment* in 2011/12 relates to the decision to purchase computer equipment rather than to lease it, as well as to provide new file servers to avoid the loss of critical information. Also, the department purchased motor vehicles centrally in 2011/12 which was rectified in the following years, hence the decrease in 2012/13. In addition, funding was made available in 2012/13 for the purchasing of replacement vehicles at head office, as well as vehicles for the Ministry. The reductions in 2013/14 and 2014/15 are attributed to the scaling down in the purchase of replacement computer equipment and vehicles due to the previously mentioned Census based budget cuts. The increase in the 2014/15 Revised Estimate is due to the unanticipated replacement of motor vehicles. Over the 2015/16 MTEF, funding is provided to replace essential equipment only.

The department is liable for the repayment of previous year's over-expenditure, resulting in a first charge against the department's budget in all three years of the 2015/16 MTEF, and this is reflected under the sub-programme: Management and against *Payments for financial assets*.

Service delivery measures – Programme 1: Administration

Table 7.17 illustrates the main service delivery measures relating to Programme 1. The performance indicators provided comply fully with the customised measures for the Health sector. Note that one new measure commences from 2015/16, with 2014/15 marked as “New” as it is not a current measure.

Table 7.17 : Service delivery measures – Programme 1: Administration

| Outputs | Performance indicators | Estimated performance | | Medium-term targets | |
|--|--|-----------------------|-------------|---------------------|-------------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Administration: | | | | | |
| To conduct the strategic management and overall administration of the Department of Health | • Audit opinion from Auditor-General | New | Unqualified | Unqualified | Unqualified |
| | • Percentage of hospitals with broadband access | 40% | 90% | 100% | 100% |
| | • Percentage of fixed PHC facilities with broadband access | 25% | 45% | 68% | 100% |

6.2 Programme 2: District Health Services

The purpose of Programme 2: District Health Services is to render primary health care services and district hospital services. This programme comprises nine sub-programmes, which are used to facilitate identification of the different functions. The main aims of these sub-programmes are:

- To render primary health care services with a nurse-driven service at clinic level, including visiting points, mobile and local authority clinics.
- To provide service planning, administration of services, managing personnel and financial administration and the co-ordination and monitoring of district health services, including those rendered by district councils and NGOs.

- To render primary health care services in respect of maternal child and women's health, geriatrics, occupational therapy, physiotherapy, psychiatry, speech therapy, communicable diseases, oral and dental health, mental health, rehabilitation and disability and chronic health.
- To render primary health care services at non-health facilities in respect of home-based care, abuse victims, mental and chronic care, school health.
- To render primary health care services related to the comprehensive management of HIV and AIDS campaigns and special projects.
- To provide services directed at providing nutrition for the malnourished members of the population.
- To render forensic pathology services and medico-legal services in the province.
- To render hospital services at general practitioner level.

Tables 7.18 and 7.19 summarise payments and estimates for Programme 2: District Health Services.

Table 7.18 : Summary of payments and estimates by sub-programme: District Health Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|-----------------------------|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|-------------------|-------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. District Management | 165 891 | 218 582 | 217 300 | 246 328 | 233 858 | 226 468 | 238 592 | 267 750 | 280 814 |
| 2. Community Health Clinics | 2 314 886 | 2 480 318 | 2 790 347 | 3 055 573 | 3 065 892 | 3 112 750 | 3 321 028 | 3 510 238 | 3 686 101 |
| 3. Community Health Centres | 767 666 | 955 647 | 1 048 435 | 1 296 961 | 1 281 471 | 1 214 357 | 1 388 550 | 1 506 905 | 1 583 750 |
| 4. Community Based Services | 25 774 | 790 | - | 2 580 | 2 580 | 2 580 | 13 000 | - | - |
| 5. Other Community Services | 616 374 | 692 921 | 906 723 | 955 141 | 988 742 | 1 042 913 | 1 089 351 | 1 031 545 | 1 082 688 |
| 6. HIV and AIDS | 1 914 056 | 2 392 689 | 2 725 639 | 3 257 992 | 3 257 992 | 3 057 992 | 3 813 094 | 4 293 097 | 4 840 949 |
| 7. Nutrition | 65 237 | 44 433 | 44 089 | 47 772 | 47 772 | 47 772 | 50 000 | 52 649 | 55 281 |
| 8. Coroner Services | 141 575 | 146 073 | 156 225 | 158 329 | 158 208 | 158 208 | 173 157 | 182 318 | 191 434 |
| 9. District Hospitals | 4 113 192 | 4 584 982 | 5 058 841 | 5 699 359 | 5 690 291 | 5 663 765 | 5 492 090 | 5 775 777 | 6 061 158 |
| Total | 10 124 651 | 11 516 435 | 12 947 599 | 14 720 035 | 14 726 806 | 14 526 805 | 15 578 862 | 16 620 279 | 17 782 175 |

Table 7.19 : Summary of payments and estimates by economic classification: District Health Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|---|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|-------------------|-------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 9 647 354 | 11 151 083 | 12 510 682 | 14 210 678 | 14 210 378 | 13 976 385 | 15 106 704 | 16 124 560 | 17 266 722 |
| Compensation of employees | 6 710 880 | 7 690 784 | 8 714 714 | 9 832 214 | 9 837 336 | 9 779 724 | 10 184 010 | 10 727 085 | 11 324 131 |
| Goods and services | 2 936 474 | 3 460 300 | 3 795 947 | 4 378 464 | 4 373 042 | 4 196 551 | 4 922 694 | 5 397 475 | 5 942 591 |
| Interest and rent on land | - | - | 22 | - | - | 110 | - | - | - |
| Transfers and subsidies to: | 326 249 | 268 218 | 333 524 | 391 617 | 394 240 | 451 459 | 332 658 | 349 025 | 361 893 |
| Provinces and municipalities | 86 040 | 22 893 | 74 736 | 134 838 | 153 806 | 180 647 | 105 000 | 111 048 | 115 000 |
| Departmental agencies and accounts | 130 | 6 | 21 | 32 | 32 | 41 | 38 | 41 | 43 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 213 387 | 204 686 | 207 922 | 220 147 | 202 102 | 194 288 | 182 000 | 192 558 | 199 356 |
| Households | 26 692 | 40 633 | 50 846 | 36 600 | 38 300 | 76 483 | 45 620 | 45 378 | 47 494 |
| Payments for capital assets | 151 005 | 97 134 | 103 393 | 117 740 | 122 188 | 98 941 | 139 500 | 146 694 | 153 560 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 151 005 | 97 134 | 103 393 | 117 740 | 122 188 | 98 941 | 139 500 | 146 694 | 153 560 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 43 | - | - | - | - | 20 | - | - | - |
| Total | 10 124 651 | 11 516 435 | 12 947 599 | 14 720 035 | 14 726 806 | 14 526 805 | 15 578 862 | 16 620 279 | 17 782 175 |

The significant allocation to this programme supports the policy of providing access to the less expensive, but most important level of health care. The programme provides for, *inter alia*, the commissioning of new clinics and CHCs, the development of district offices, and the comprehensive management of HIV and AIDS and its related diseases, especially TB.

The increases over the seven-year period for the programme as a whole relate to the various higher than anticipated wage agreements and carry-through costs of the various OSDs for medical personnel and other categories of staff. Also contributing was additional funding provided for inflationary increases in medical supplies and services, improving infant and child mortality rates, substantial increases in HIV and AIDS funding each year, as well as a provision for an improvement in the general health capacity in 2011/12. Further amounts were allocated for national priorities from 2011/12, with carry-through costs over the 2015/16 MTEF, to provide for capacity building for personnel and *Goods and services*, funding for family health team pilots/models, improving hospital norms and standards, and the general policy adjustment. In addition, the NHI grant commenced from 2012/13, aimed at establishing two pilot districts in line with the implementation of NHI. As mentioned previously, this funding decreased in 2013/14 due to a new indirect National Health grant, which will be spent by NDOH on behalf of provinces. The high growth in 2012/13 and 2013/14 was related to addressing of critical staff needs at PHC level, which included the closing of the gap in standards for municipal clinics taken over from local government. This includes addressing staffing levels, basic medical equipment, and infrastructure backlogs, an increased number of school health teams, district family teams and district specialist teams, as well as TB tracing and injection teams, the progressive commissioning of CHCs and the King Dinuzulu Hospital, higher than expected litigation costs (medico-legal claims mainly in respect of maternity related cases), as well as the filling of critical posts for accelerating the HIV and AIDS programme and staff exit costs, with more nurses leaving employment than expected.

The strong growth from 2011/12 to 2014/15 in the Community Health Clinics and Community Health Centres sub-programmes includes additional funding for the various wage agreements, the OSDs for medical personnel, funding for inflationary costs in medical related *Goods and services* and reducing infant and child mortality. In 2011/12, there was also national priority funding for personnel and goods, family health teams and for the general policy adjustment, as well as funding to encourage growth in PHC service delivery. The increase in 2012/13 was mainly related to the increased costs of medicines, vaccines, municipal payments and increased patient demand at PHC level, the addressing of critical staff needs at PHC level, which included the closing of the gap in standards for municipal clinics taken over from local government. This includes addressing staffing levels, basic medical equipment, etc.

The high base in the sub-programme: Community Based Services in 2011/12 and the subsequent reduction thereafter resulted from the absorption of the majority of the community health workers into the HIV and AIDS sub-programme and a decision to take over the management of the HIV and AIDS NIP sites from the NGOs, in an effort to minimise fraud. The Social Sector EPWP Incentive Grant for Provinces was phased out from 2012/13, and it was decided to place all community health workers' expenditure into other sub-programmes within Programme 2, where the costs are incurred, hence there was no spending or allocations in respect of this sub-programme in 2013/14. The grant was funded again in 2014/15 and 2015/16 only, and the funding supports CCG stipends.

The increase from 2012/13 onward in the sub-programme: Other Community Services was due to the introduction of community nursing services and an additional intake of community doctors resulting from the extension of the medical intern programme to two years, as well as the various OSDs for medical personnel. The increase in the 2014/15 Adjusted Appropriation and Revised Estimate is due to the movement of qualified nutrition advisors from Programme 6. The lower growth over the 2015/16 MTEF is due to the function shift of Port Health Services to NDOH, as per a sectoral agreement, with funds following function.

The strong growth in the HIV and AIDS sub-programme relates mainly to increases in the Comprehensive HIV and AIDS grant to cater for increased uptake of patients on ARV therapy. Additional funds were allocated from 2012/13 to 2016/17 to assist with the increase of the ARV threshold to a CD4 count of 350 in 2012/13 and 500 in 2014/15, the introduction of the Fixed Dose Combination ARV drugs, as well as provision for equipment and the increasing costs of ARV medication. The strong growth over the 2015/16 MTEF, and in 2015/16 in particular, aligns with the growth in the Comprehensive HIV and AIDS grant. As previously mentioned, although the grant was protected from budget cuts related to fiscal consolidation, there have been reductions in the 2014/15 Revised Estimate and over the 2015/16 MTEF to fund various NHLS functions moved from the provincial sphere to the national sphere.

The high base in the sub-programme: Nutrition in 2011/12 was due to once-off equitable share support provided to the department's nutritional programme, complementing the Comprehensive HIV and AIDS grant funding. Payments carried over from 2010/11 also contributed to this peak. In 2012/13, this co-funding was phased out as proper management processes and controls were put in place, with HIV and AIDS based nutrition funded from the grant and against the HIV and AIDS sub-programme. The low growth over the 2015/16 MTEF is due to this sub-programme being subject to strict cost-cutting to ensure more critical services are able to be funded.

The sub-programme: Coroner Services was funded through the Forensic Pathology Services grant until 2011/12. From 2012/13, these services are paid from the equitable share. The low growth in 2012/13 resulted from the scaling down in the replacement of mortuary vehicles due to cost-cutting. Otherwise, figures across the seven years include the various wage agreements and inflationary increases only.

The sub-programme: District Hospitals increases in 2012/13 largely as a result of delays in 2011/12 in the processing of the OSD for occupational therapists caused by programmatic challenges (PERSAL) at a national level, and also the filling of essential posts in line with national requirements for service delivery related to the NHI. Adding to the growth in 2012/13 was the restructuring and commissioning of the King Dinuzulu Hospital. The reduction in the 2014/15 Adjusted Appropriation and Revised Estimate relates to forced savings to address pressures in the Community Health Clinics sub-programme and to Programme 4 to address pressures in *Compensation of employees* and medico-legal claims, respectively. Growth over the 2015/16 MTEF is largely for inflationary increases.

The increase in *Compensation of employees* from 2012/13 relates to an increased number of school health teams, district family teams and district specialist teams, as well as TB tracing and injection teams. Also affecting the growth was the closing of the gap in standards for municipal clinics taken over from local government, as previously mentioned. This included addressing staffing levels and basic medical equipment. The growth over the 2015/16 MTEF is mainly for inflationary adjustments.

The fluctuating trend in *Goods and services* is mainly due to the variable CPI over the period, high medical inflation, the increase in NHLS costs, as well as the increase in the number of patients suffering from HIV and AIDS and TB. In addition to carry-through costs from previous allocations, funding for national priorities in 2011/12 provided for family health teams, the general policy adjustment, capacity building and, in 2012/13 and 2013/14, additional funding for the reduction of the ARV threshold to a CD4 count of 350. The carry-through costs of these initiatives are reflected over the 2015/16 MTEF. The growth in 2013/14 was attributed to pressures from ARVs and other medication. The increase in the 2014/15 Revised Estimate is caused by the roll-out of HPV and flu vaccines being funded by the indirect grant from NDOH. Additional funding was provided from 2012/13 from the NHI grant to implement a pilot programme in two districts, to contract private practitioners and other private suppliers in the provision of medical services. National priority funding is added in 2016/17 relating to the decentralised roll-out of the HPV vaccine to provinces. Note that, as previously mentioned, NHLS is still funded by way of a monthly flat fee payment (*albeit* at an increased level) as opposed to a fee-for-service mechanism.

The fluctuations in *Transfers and subsidies to: Provinces and municipalities* are mainly due to the uncertainty of the provincialisation process for municipal clinics, as well as non-signing of SLAs. The reduction in 2012/13 resulted from the provincialisation of some municipal clinics. The significant increase in 2014/15 relates to the eThekweni Metro and uMhlathuze Municipality for additional funding to assist clinics in the treatment of HIV and AIDS. The further increase in the 2014/15 Adjusted Appropriation and Revised Estimate relates to municipal clinics' carry-over expenditure from 2013/14, due to the late presentation of invoices. The decline in 2015/16 is due to the provincialisation of uMhlathuze municipal clinics and for the remaining eThekweni Metro clinics over the MTEF period.

Transfers and subsidies to: Departmental agencies and accounts relates to payments for TV licences.

The reduction in *Transfers and subsidies to: Non-profit institutions* in 2012/13 is a result of the decision to reassess the NGO institutions and to enter into new agreements, resulting in a number of the allocations to these institutions being lower than in the past. The minimal growth in 2013/14, 2014/15 and further reduction over the 2015/16 MTEF is due the provincialisation of McCord Hospital.

Transfers and subsidies to: Households relates to staff exit costs and medico-legal claims, and historical fluctuations are based on actual payments made. The high growth in the 2014/15 Revised Estimate is due to more medico-legal claims cases being finalised. This is a once-off cost and accounts for the fluctuations under this category. The 2015/16 MTEF allocations provide for staff exit costs only.

The high base against *Machinery and equipment* in 2011/12 was for the replacement of deteriorating essential equipment and the purchase of mobile clinics and other service delivery vehicles. This process did not continue in 2012/13 due to forced savings implemented by the department in order to offset pressures in infrastructure projects already on site, hence the decrease in 2012/13. The increase in 2014/15 and 2015/16 is due to the need to procure additional vehicles for the new outreach teams. In the 2015/16 MTEF, amounts are provided to replace essential equipment at a reduced rate, due to the Census and fiscal consolidation baseline cuts.

Service delivery measures – Programme 2: District Health Services

Table 7.20 illustrates the main service delivery measures of Programme 2. The performance indicators provided comply fully with the customised measures for the Health sector. It should be noted that a significant number of TB patients are treated in clinics and community health centres in Programme 2. For this reason, TB statistics are included in this programme.

A number of indicators are these are indicated as “New” in 2014/15 and “Est. baseline” in 2015/16, with no targets set for the MTEF.

Table 7.20 : Service delivery measures – Programme 2: District Health Services

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|---|--|---|--|--|--|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 1. Clinics and Community Health Centres | | | | | | |
| To provide facilities for patients to be treated at PHC level | • No. of districts piloting NHI interventions | 3 | 3 | 3 | 3 | |
| | • Established NHI Consultation Forum | Not established | Established | Established | Established | |
| | • No. of districts consulted by the NHI Consultative Forum | 0 | 3 | 7 | 11 | |
| | • National core standards self-assessment rate (fixed PHC facilities) | 69.2% | 100% | 100% | 100% | |
| | • Quality improvement plan after self-assessment rate (fixed PHC facilities) | New | 100% | 100% | 100% | |
| | • Percentage of fixed PHC facilities scoring above 80% on the Ideal Clinic Dashboard | 6.3% | 20% | 40% | 60% | |
| | • Patient satisfaction survey rate (fixed PHC facilities) | 59.8% | 100% | 100% | 100% | |
| | • Patient satisfaction rate at PHC facilities | 71.2% | 75% | 85% | 95% | |
| | • Outreach to household registration visit coverage (annualised) | 44.7% | 55% | 65% | 70% | |
| | • No. of districts with district clinical specialist teams (DCSTs) | 1 complete team and 9 teams with all nursing posts filled | 2 complete teams and remaining 9 teams with all nursing posts filled | 3 complete teams and remaining 8 teams with all nursing posts filled | 4 complete teams and remaining 7 teams with all nursing posts filled | |
| | • PHC utilisation rate (annualised) | 3 | 3.1 | 3.1 | 3.2 | |
| | • Complaint resolution rate | 78% | 80% | 83% | 85% | |
| | • Complaint resolution within 25 working days rate | 89% | 90% | 91% | 92% | |
| 2. District Hospitals | | | | | | |
| Rendering hospital service at district level | • National core standards self-assessment rate | 81% | 100% | 100% | 100% | |
| | • Quality improvement plan (QIP) after self-assessment rate | New | 100% | 100% | 100% | |
| | • Percentage of hospitals compliant with all extreme and vital measures of the national core standards | New | 14% | 30% | 46% | |
| | • Patient satisfaction survey rate | 87% | 100% | 100% | 100% | |
| | • Patient satisfaction rate | 82% | 90% | 95% | 95% | |
| | • Average length of stay - total | 5.9 Days | 5.8 Days | 5.8 Days | 5.8 Days | |
| | • Inpatient bed utilisation rate - total | 63.6% | 64.7% | 66.1% | 67.4% | |
| | • Mental health admission rate | 1.5% | 1.5% | 1.6% | 1.6% | |
| | • Expenditure per patient day equivalent (PDE) | R 1 971 | R1 808 | R1 882 | R1 956 | |
| | • Complaints resolution rate | 68.6% | 75% | 80% | 90% | |
| | • Complaint resolution within 25 working days rate | 84% | 85% | 85% | 85% | |

Table 7.20 : Service delivery measures – Programme 2: District Health Services

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|--|--|--|-------------------------------------|-------------------------------------|-------------------------------------|-------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 3. HIV and AIDS, TB and STI control | | | | | | |
| Rendering primary health care service in respect of HIV and AIDS, TB and STI control | • Total clients remaining on ART at the end of the month | 926 416 | 1 276 200 | 1 368 247 | 1 450 000 | |
| | • Client tested for HIV (including ANC) | 1 186 634 | 2 067 065 (4 134 130 cumulative) | 2 067 065 (6 201 195 cumulative) | 2 067 065 (8 268 260 cumulative) | |
| | • TB symptom 5yrs and older screened rate | 9% | 20% | 35% | 45% | |
| | • Male condom distribution coverage (annualised) | 62.8 | 62.9 | 61.8 | 60.8 | |
| | • Female condom distribution rate (annualised) | 1.5 | 0.9 | 0.9 | 0.9 | |
| | • Medical male circumcision performed | 47 295 (mid-year) | 631 374 cumulative | 1 826 544 cumulative | 3 021 714 cumulative | |
| | • TB new client treatment success rate | 86.6% | 85% | 85% | 85% | |
| | • TB client lost to follow up rate | 3.6% | 3.9% | 3.5% | 2.9% | |
| | • TB death rate | 4.7% | 4% | 3.5% | 2.25% | |
| | • TB MDR confirmed treatment initiation rate | Data not available | 60% | 70% | 80% | |
| | • TB MDR treatment success rate | 50% | 60.9% | 62.5% | 65% | |
| | 4. Maternal, child and women health | | | | | |
| | Rendering a comprehensive and integrated maternal, child and women health at primary health care level | • Antenatal 1st visit before 20 weeks rate | 56.1% | 60% | 62.6% | 56.1% |
| • Mother postnatal visit within 6 days rate | | 68.7% | 74.4% | 82% | 90% | |
| • Antenatal client initiated on ART rate | | 92.7% | 95% | 97% | 98% | |
| • Infant 1st PCR test positive around 6 weeks rate | | 1.2% | <1% | <1% | <0.5% | |
| • Immunisation coverage under 1 year (annualised) | | 89.7% | 90% | 90% | 90% | |
| • Measles 2nd dose coverage (annualised) | | 90.1% | 85% | 90% | 95% | |
| • DTap-IPV-HepB-Hib 3 - Measles 1st dose drop-out rate | | 5.6% | 7% | 6% | 5% | |
| • Child under 5 years diarrhoea case fatality rate | | 3.2% | 3.2% | 2.6% | 2% | |
| • Child under 5 years pneumonia case fatality rate | | 3.3% | 2.4% | 2.1% | 2% | |
| • Child under 5 years severe acute malnutrition case fatality rate | | 8.4% | 8% | 7.5% | 7% | |
| • School Grade R learners screening coverage (annualised) | | New | 40% | 50% | 60% | |
| • School Grade 1 learners screening coverage (annualised) | | 31.7% | 55% | 60% | 65% | |
| • School Grade 8 learners screening coverage (annualised) | | 16.2% | 40% | 50% | 60% | |
| • Couple year protection rate (annualised) | | 54.3% | 55% | 60% | 65% | |
| • Cervical cancer screening coverage (annualised) | | 73.5% | 75% | 75% | 75% | |
| • HPV vaccine 1st dose coverage | | 82.9% | 85% | 85% | 90% (or more) | |
| • Vitamin A dose 12-59 months coverage (annualised) | | 56.6% | 60% | 65% | 70% | |
| • Maternal mortality in facility ratio (annualised) | | 140.3/ 100 000 | 120/ 100 000 | 110/ 100 000 | 100/ 100 000 | |
| • Inpatient early neonatal death rate | | 10.3/ 1000 | 9.7/ 1000 | 9.3/1000 | 8.9/ 1000 | |
| 5. Disease prevention and control | | | | | | |
| Rendering preventive and promotive health services | • Clients screened for hypertension – 25 years and older | New | Est. baseline | - | - | |
| | • Clients screened for diabetes – 5 years and older | New | Est. baseline | - | - | |
| | • Client screened for mental disorders | New | Est. baseline | - | - | |
| | • Client treated for mental disorders - new | New | Est. baseline | - | - | |
| | • Cataract surgery rate (annualised) | 905.7/ 1mil | 930/ 1mil | 1 154/ 1mil | 1 395/ 1 mil | |
| | • Malaria case fatality rate | 1.8% | <0.5% | <0.5% | <0.5% | |

6.3 Programme 3: Emergency Medical Services

The purpose of Programme 3: Emergency Medical Services is to render pre-hospital emergency medical services, including inter-hospital transfers and planned patient transport.

Poverty and topography are major cost drivers for both the Emergency Transport and Planned Patient Transport sub-programmes.

Tables 7.21 and 7.22 below summarise payments and budgeted estimates pertaining to Programme 3.

Table 7.21 : Summary of payments and estimates by sub-programme: Emergency Medical Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|------------------------------|------------------|----------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Emergency Services | 1 032 954 | 863 099 | 967 208 | 1 012 736 | 1 012 736 | 1 027 223 | 1 094 031 | 1 137 189 | 1 194 048 |
| 2. Planned Patient Transport | 37 433 | 62 937 | 42 732 | 60 702 | 60 702 | 46 215 | 66 280 | 59 287 | 62 251 |
| Total | 1 070 387 | 926 036 | 1 009 940 | 1 073 438 | 1 073 438 | 1 073 438 | 1 160 311 | 1 196 476 | 1 256 299 |

Table 7.22 : Summary of payments and estimates by economic classification: Emergency Medical Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|---|------------------|----------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 856 411 | 870 638 | 975 416 | 1 026 957 | 1 026 957 | 1 042 907 | 1 095 120 | 1 143 906 | 1 201 100 |
| Compensation of employees | 595 253 | 641 810 | 715 735 | 751 280 | 751 280 | 770 618 | 789 187 | 826 698 | 868 032 |
| Goods and services | 261 158 | 228 827 | 259 679 | 275 677 | 275 677 | 272 275 | 305 933 | 317 208 | 333 068 |
| Interest and rent on land | - | - | 2 | - | - | 14 | - | - | - |
| Transfers and subsidies to: | 3 230 | 4 165 | 3 946 | 4 340 | 4 340 | 3 909 | 4 891 | 5 148 | 5 406 |
| Provinces and municipalities | 1 842 | 1 537 | 2 511 | 2 040 | 2 040 | 1 949 | 3 190 | 3 355 | 3 523 |
| Departmental agencies and accounts | - | - | - | - | - | 1 | 1 | 2 | 2 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 1 388 | 2 628 | 1 435 | 2 300 | 2 300 | 1 959 | 1 700 | 1 791 | 1 881 |
| Payments for capital assets | 210 745 | 51 234 | 30 578 | 42 141 | 42 141 | 26 252 | 60 300 | 47 422 | 49 793 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 210 745 | 51 234 | 30 578 | 42 141 | 42 141 | 26 252 | 60 300 | 47 422 | 49 793 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 1 | - | - | - | - | 370 | - | - | - |
| Total | 1 070 387 | 926 036 | 1 009 940 | 1 073 438 | 1 073 438 | 1 073 438 | 1 160 311 | 1 196 476 | 1 256 299 |

The fluctuations over the seven-year period are largely due to funding provided to appoint additional staff and to purchase additional vehicles, as well as the planned expansion of emergency medical services to under-served areas. The high base in 2011/12 relates to the appointment of additional emergency personnel and procurement of additional emergency medical vehicles. The reduction in 2012/13 is attributed to the once-off purchases in 2011/12, as well as savings realised from the replacement process of ageing emergency fleet vehicles, as the repair and fuel costs of the new ambulances were lower. The increase in 2013/14 was mainly due to inflationary adjustments, the gradual filling of vacant posts, as well as increased fuel costs. The overall increase over the seven year period in the sub-programme: Planned Patient Transport results from the successful implementation of the inter-hospital transfer programme.

The increase in *Compensation of employees* from 2012/13 onward relates to the various wage agreements, the introduction of the OSD for emergency personnel, as well as reprioritisation of funding to bring the salaries of emergency medical workers in line with those in other provinces, in order to retain staff and avoid strike action. The high growth in 2013/14 relates to the absorption of trainees, the strengthening of obstetrical ambulance services, as well as the provision for standard danger allowances to various categories of Emergency Medical Services personnel. The growth over the 2015/16 MTEF provides for inflation only.

The main cost drivers under *Goods and services* are fuel and repairs to emergency vehicles, the latter being related to the rough terrain in rural areas and these costs will increase as the service expands. The high base in 2011/12 is largely due to an increase in fuel costs and the costs of maintaining vehicles. The decrease in 2012/13 relates mainly to lower costs on maintenance and repairs of the new fleet of vehicles. The high growth in 2013/14 was due to high fuel costs, the related maintenance and repair costs, as well as costs on aeromedical services. The growth over the remainder of the 2015/16 MTEF is attributed to the new fleet of emergency vehicles that will be procured which will attract lower running costs.

The fluctuations in *Transfers and subsidies to: Provinces and municipalities* are driven by the size of the fleet of EMS vehicles in each year, with ambulances being procured and the old fleet being disposed of, and registration and licensing costs thereof will thus vary accordingly.

With regard to *Transfers and subsidies to: Households*, the inflated 2012/13 figure relates to a legal claim against the department by the First Aid League, and an increase in staff exit costs.

Regarding *Machinery and equipment*, the significant high expenditure in 2011/12 is attributed to the late delivery of ambulances ordered in 2010/11 and additional ambulances purchased to address shortages. This was supporting the drive to meet the national norms for this service. The fluctuations from 2013/14 onward relates to the reprioritisation of funding which will be reviewed during 2016/17, with funding provided only for the replacement of ambulances.

The expenditure against *Payments for financial assets* relates to the write-off of various losses.

Service delivery measures – Programme 3: Emergency Medical Services

Table 7.23 below illustrates the main service delivery measures pertaining to Programme 3. The performance indicators provided comply fully with the customised measures for the Health sector.

Table 7.23 : Service delivery measures – Programme 3: Emergency Medical Services

| Outputs | Performance indicators | Estimated performance | | Medium-term targets | |
|--|---|-----------------------|---------|---------------------|---------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Emergency Medical Services | | | | | |
| Rendering emergency medical services including ambulance services, special operations, communications and air ambulance services | • EMS P1 urban response under 15 minutes rate | 5.1% | 6.5% | 7.2% | 7.9% |
| | • EMS P1 rural response under 40 minutes rate | 30.8% | 33% | 35.3% | 37.9% |
| | • EMS inter-facility transfer rate | 36.2% | 37% | 38% | 39% |

6.4 Programme 4: Provincial Hospital Services

The purpose of this programme is the delivery of hospital services which are accessible, appropriate and effective and the provision of general specialist services including a specialised rehabilitation service, and a platform for training health professionals and research.

Programme 4 comprises five sub-programmes, with the following main objectives:

- To render regional hospital services at a general specialist level and a platform for training of health workers and research.
- To render hospital services for tuberculosis, including multi-drug resistance.
- To render specialist psychiatric hospital services for people with mental illness and intellectual disability and providing a platform for training of health workers and research.
- To provide medium to long-term care to patients who require rehabilitation and/or a minimum degree of active medical care but cannot be sent home.
- To render an affordable and comprehensive oral health service, based on primary health care.

Tables 7.24 and 7.25 summarise payments and estimates relating to Programme 4.

The sustained growth in Programme 4 over the seven-year period relates to the various wage agreements, the OSD for medical personnel, high inflation rates on medical supplies and services, as well as NHLS costs. Further contributing factors include the carry-through costs of the MDR/XDR TB facilities opened in the Greytown, Murchison and Thulasizwe Hospitals.

Table 7.24 : Summary of payments and estimates by sub-programme: Provincial Hospital Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. General (Regional) Hospitals | 5 221 536 | 6 115 757 | 6 560 190 | 7 114 952 | 7 114 482 | 7 034 859 | 6 881 905 | 7 398 047 | 7 761 725 |
| 2. Tuberculosis Hospitals | 891 682 | 591 880 | 631 342 | 669 183 | 667 219 | 674 971 | 746 111 | 772 749 | 811 386 |
| 3. Psychiatric-Mental Hospitals | 570 974 | 641 596 | 686 549 | 743 815 | 743 815 | 751 398 | 797 229 | 835 469 | 877 242 |
| 4. Sub-acute, Step-down and Chronic Medical Hospitals | 199 147 | 203 274 | 226 848 | 242 501 | 242 501 | 307 214 | 331 496 | 344 359 | 361 577 |
| 5. Dental Training Hospital | 14 481 | 14 868 | 16 267 | 17 824 | 17 824 | 17 399 | 18 897 | 19 898 | 20 893 |
| Total | 6 897 820 | 7 567 375 | 8 121 196 | 8 788 275 | 8 785 841 | 8 785 841 | 8 775 638 | 9 370 522 | 9 832 823 |

Table 7.25 : Summary of payments and estimates by economic classification: Provincial Hospital Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 6 772 925 | 7 486 935 | 7 969 342 | 8 634 529 | 8 634 529 | 8 613 784 | 8 644 111 | 9 180 340 | 9 633 133 |
| Compensation of employees | 5 100 164 | 5 654 254 | 6 146 682 | 6 814 383 | 6 814 383 | 6 745 935 | 6 735 829 | 7 195 285 | 7 548 324 |
| Goods and services | 1 672 761 | 1 832 681 | 1 822 532 | 1 820 146 | 1 820 146 | 1 867 715 | 1 908 282 | 1 985 055 | 2 084 809 |
| Interest and rent on land | - | - | 128 | - | - | 134 | - | - | - |
| Transfers and subsidies to: | 68 019 | 68 886 | 124 336 | 67 085 | 64 651 | 120 228 | 63 607 | 66 995 | 70 346 |
| Provinces and municipalities | - | - | - | 549 | 79 | 80 | - | - | - |
| Departmental agencies and accounts | 47 | 56 | 15 | 36 | 36 | 64 | 77 | 82 | 86 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 35 802 | 37 770 | 28 829 | 30 500 | 28 536 | 30 865 | 33 100 | 34 854 | 36 597 |
| Households | 32 170 | 31 060 | 95 492 | 36 000 | 36 000 | 89 219 | 30 430 | 32 059 | 33 663 |
| Payments for capital assets | 56 861 | 11 554 | 27 518 | 86 661 | 86 661 | 51 824 | 67 920 | 123 187 | 129 344 |
| Buildings and other fixed structures | - | - | 79 | - | - | - | - | - | - |
| Machinery and equipment | 56 861 | 11 554 | 27 439 | 86 661 | 86 661 | 51 824 | 67 920 | 123 187 | 129 344 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 15 | - | - | - | - | 5 | - | - | - |
| Total | 6 897 820 | 7 567 375 | 8 121 196 | 8 788 275 | 8 785 841 | 8 785 841 | 8 775 638 | 9 370 522 | 9 832 823 |

The expenditure in 2011/12 in the General (Regional) Hospitals sub-programme includes once-off funding provided for essential equipment and motor vehicles, the reclassification of a number of district hospitals as general hospitals, funding for various national priorities, costs of the various OSDs, registrars moved to this programme, the replacement of redundant essential hospital equipment and the filling of various professional posts. In 2012/13, expenditure included the continued process of reclassification of certain district hospitals to general hospitals and the carry-through costs of the 2011 wage agreement. The increase in 2013/14 relates to the commissioning of an additional 80 beds at LUWM Hospital, pressures in the costs of medicines, as well as funding for unbudgeted medico-legal claims against the state. Note that, from 2015/16, the department moved the King Edward VIII Hospital to Programme 5 as it was reclassified as a tertiary hospital. All historical data has been restated for comparative purposes. However, the data pertaining to the 2014/15 Main Appropriation were not corrected, accounting for the higher baseline in these columns when compared to 2013/14 and 2015/16.

The Tuberculosis Hospitals sub-programme shows a reduction in *Goods and services* in 2012/13, mainly due to the decision to move funding to other categories of hospitals which are also dealing with TB, primarily district and regional hospitals, as well as a reduction in NHLS costs in TB hospitals, due to the flat fee paid by the department. The decrease in the 2014/15 Adjusted Appropriation relates to the movement of unallocated funding for non-profit institutions to address pressures in municipal clinics in Programme 2. The increase in the Revised Estimate is due to the purchase of motor vehicles for TB teams. The 2015/16 MTEF begins with a peak attributable to the projected medicine payments for March 2015 that will only be paid in April 2015. Thereafter, the increase includes inflationary adjustments only.

The increasing trend in the sub-programme: Psychiatric/Mental Hospitals relates to the various wage agreements and OSDs, and the MTEF includes carry-through costs and inflationary increases only.

The spending in the sub-programme: Sub-acute, Step-down and Chronic Medical Hospitals in 2011/12 relates to staff exit costs and medico-legal claims in that year, as well as the purchase of critical medical equipment and additional patient clothing and bed linen, accounting for low growth in 2012/13. Included in the trend are carry-through costs of the various wage agreements and OSDs. In 2012/13, Clairwood Hospital was reclassified into this sub-programme. The significant increase in the 2014/15 Revised Estimate is attributed to the take-over of McCord Hospital. The 2015/16 MTEF makes provision for the operational costs of McCord Hospital to function as a specialised eye-care hospital.

The Dental Training Hospital sub-programme shows steady growth over the entire period, with inflationary growth over the 2015/16 MTEF.

The increase against *Compensation of employees* in 2012/13 was mainly for inflationary adjustments including the higher than budgeted 2012 wage agreement. A number of district hospitals were further reclassified to categories of hospitals within this programme in 2012/13. In 2013/14, the increase was due to the higher than expected 2013 wage agreement and clerical re-grading, as well as the introduction of 80 additional beds at LUWM Hospital. The decrease in the 2014/15 Revised Estimate is due to slow recruitment processes. Over the 2015/16 MTEF, provision is made for the commissioning of McCord Hospital as a specialised eye-care hospital, the carry-through costs of the commissioning of additional beds at LUWM Hospital and also to provide for the filling of critical vacant funded posts.

The decrease against *Goods and services* in 2013/14 was attributed to the reduction in the “buying out” of beds from private hospitals, as well as the correct allocation of NHLS expenditure, mainly to Programme 2. The increase in the 2014/15 Revised Estimate is due to the take-over of McCord Hospital. The growth over the MTEF provides for the commissioning of McCord Hospital as a specialised eye-care hospital.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences which have been centralised to Programme 1. Historical data were restated for comparative purposes, apart from the residual amounts in the 2014/15 Adjusted Appropriation and Revised Estimate, as mentioned previously.

Transfers and subsidies to: Departmental agencies and accounts relates to TV licences.

The substantial reduction in *Transfers and subsidies to: Non-profit institutions* in 2013/14 was the result of the reassessment of all the department’s non-profit institutions. The reduction in the 2014/15 Adjusted Appropriation is due to the decision to reallocate unallocated funding for non-profit institutions to other service delivery pressures due to slow negotiations with NGOs. This situation is not expected in 2015/16, hence the increase in 2015/16, with provision for inflationary increases in the outer years. The increase in the 2014/15 Revised Estimate is due to pressures at NGOs related to TB treatment.

The high 2011/12 spending against *Transfers and subsidies to: Households* relates to medico-legal claims. The peak in 2013/14 was due to increased staff exit costs and medico-legal claims. There was no provision for medico-legal claims in the 2014/15 MTEF due to Census and fiscal consolidation based budget cuts, hence the drop in the 2014/15 Main Appropriation and low growth thereafter. This will be reviewed in-year, as medico-legal costs arise. The high 2014/15 Revised Estimate is for unanticipated legal claims.

The high base in 2011/12 against *Machinery and equipment* relates mainly to a once-off drive to replace all the redundant essential medical equipment in all facilities. The decrease in 2012/13 is partly due to this once-off spending, as well as the delay in the delivery of essential medical equipment, ordered for provincial hospitals. This equipment was ordered in 2012/13 but only delivered in 2013/14 and contributes to the significant growth in 2013/14. The increase in the 2014/15 Main Appropriation was for the cyclical replacement of essential medical equipment. The decrease in the 2014/15 Revised Estimate is due to the slow pace of delivery of medical equipment. Additional funding is provided over the 2015/16 MTEF for the replacement of redundant essential equipment under this programme, and the increases in 2016/17 and 2017/18 are to meet identified cyclical replacement needs.

Service delivery measures – Programme 4: Provincial Hospital Services

Table 7.26 below illustrates the main service delivery measures pertaining to Programme 4. The measures comply fully with the customised measures of the health sector.

MTEF targets have been set for “New” indicators included in the National Core Standards.

Table 7.26 : Service delivery measures – Programme 4: Provincial Hospital Services

| Table 7.20 : Service delivery measures – Programme 4: Provincial Hospital Services | | | | | |
|---|--|-----------------------|---------------------|---------|---------|
| Outputs | Performance indicators | Estimated performance | Medium-term targets | | |
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| General (Regional) Hospitals | | | | | |
| Rendering of hospital services at a general specialist level and a platform for training of health workers and research | • National core standards self-assessment rate | 78% | 100% | 100% | 100% |
| | • Quality improvement plan after self-assessment rate | New | 100% | 100% | 100% |
| | • Percentage of hospitals compliant with all extreme and vital measures of the national core standards | New | 23% | 38% | 62% |
| | • Patient satisfaction survey rate | 100% | 100% | 100% | 100% |
| | • Patient satisfaction rate | 78% | 85% | 90% | 93% |
| | • Average length of stay - total | 6.1 Days | 6.1 Days | 6 Days | 6 Days |
| | • Inpatient bed utilisation rate - total | 76.9% | 76.1 % | 77.6 % | 79.2 % |
| | • Mental health admission rate | 0.9% | 1.4 % | 1.5 % | 1.6 % |
| | • Expenditure per patient day equivalent (PDE) | R 2 365 | R 2 410 | R 2 566 | R 2 685 |
| | • Complaint resolution rate | 75.1% | 80% | 85% | 90% |
| | • Complaint resolution within 25 working days rate | 93.8% | 94% | 94% | 95% |

6.5 Programme 5: Central Hospital Services

The main purpose of Programme 5: Central Hospital Services is to provide tertiary health services and to create a platform for the training of health workers.

Tables 7.27 and 7.28 below summarise payments and budgeted estimates relating to this programme.

Table 7.27 : Summary of payments and estimates by sub-programme: Central Hospital Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Central Hospital Services | 1 532 389 | 1 697 441 | 1 785 076 | 888 645 | 888 645 | 889 625 | 2 154 298 | 2 246 075 | 2 338 533 |
| 2. Provincial Tertiary Hospital Services | 1 708 078 | 1 641 409 | 1 855 510 | 2 190 747 | 2 190 747 | 2 189 767 | 1 830 668 | 1 851 202 | 2 029 554 |
| Total | 3 240 467 | 3 338 850 | 3 640 586 | 3 079 392 | 3 079 392 | 3 079 392 | 3 984 966 | 4 097 277 | 4 368 087 |

Table 7.28 : Summary of payments and estimates by economic classification: Central Hospital Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 3 225 558 | 3 326 365 | 3 563 853 | 3 053 388 | 3 053 388 | 3 051 474 | 3 962 062 | 4 072 580 | 4 342 155 |
| Compensation of employees | 1 694 541 | 1 805 528 | 1 984 474 | 1 619 167 | 1 619 167 | 1 669 802 | 2 226 728 | 2 340 298 | 2 482 046 |
| Goods and services | 1 531 017 | 1 520 837 | 1 579 379 | 1 434 221 | 1 434 221 | 1 381 347 | 1 735 334 | 1 732 282 | 1 860 109 |
| Interest and rent on land | - | - | - | - | - | 325 | - | - | - |
| Transfers and subsidies to: | 5 384 | 4 920 | 45 259 | 5 004 | 5 004 | 26 022 | 10 324 | 10 856 | 11 399 |
| Provinces and municipalities | - | - | - | 4 | 4 | 8 | - | - | - |
| Departmental agencies and accounts | - | - | 52 | - | - | 52 | 54 | 57 | 60 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 5 384 | 4 920 | 45 207 | 5 000 | 5 000 | 25 962 | 10 270 | 10 799 | 11 339 |
| Payments for capital assets | 9 525 | 7 565 | 31 474 | 21 000 | 21 000 | 1 896 | 12 580 | 13 841 | 14 533 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 9 525 | 7 565 | 31 474 | 21 000 | 21 000 | 1 896 | 12 580 | 13 841 | 14 533 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 3 240 467 | 3 338 850 | 3 640 586 | 3 079 392 | 3 079 392 | 3 079 392 | 3 984 966 | 4 097 277 | 4 368 087 |

The positive trend over the entire period is due to the increasing demand for tertiary and central hospital services, as well as the various OSDs and annual wage agreements, and the related carry-through costs. The significant increase in 2012/13 relates mainly to the high inflation rate on medicines, medical supplies and service costs, the Rand/Dollar exchange rate, as well as increased costs of blood products and increased stock levels of medical supplies to meet the increasing demand for services. The 2011/12 expenditure also included the capacity building national priority (originally allocated in the 2009/10 MTEF to commence in 2011/12), and additional funding provided in 2011/12 for the previously mentioned national priorities. The 2015/16 MTEF includes the carry-through costs of wage agreements, OSDs, and national priorities. Note that, as previously mentioned, King Edward VIII Hospital has been reclassified to this programme as a tertiary hospital, from 2015/16 onward. Also, the tertiary portion of IALCH was reclassified from the sub-programme: Provincial Tertiary Hospital Services to the Central Hospital Services sub-programme. Historical data for both movements were restated, except for that in the 2014/15 Main Appropriation, as previously mentioned in Programme 4.

The high amount in *Compensation of employees* in 2012/13 was due to the higher 2012 wage agreement and the reclassification of Grey's Hospital as a tertiary hospital, as indicated in Government Gazette No. 35101, as well as the filling of critical posts in order to reduce the buying out of beds. The increase in the 2014/15 Revised Estimate is due to the filling of critical posts to strengthen neonatal services. The 2015/16 MTEF comprises carry-through costs for previous wage agreements and national priorities and increases in the National Tertiary Services grant, although this grant has been reduced due to the previously mentioned fiscal consolidation cuts.

The decrease in *Goods and services* in 2012/13 is attributed to efficiency gains from high cost drivers such as medicines, medical supplies and blood products. The increase in 2015/16 and negative growth in 2016/17 is due to the final 2014/15 PPP payment and medical supplies payments that will only be made in April 2015. Growth over the 2015/16 MTEF caters for inflation only.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences which were centralised under Programme 1 in the 2014/15 Adjusted Appropriation. Historical data was restated for comparative purposes, apart from the previously mentioned residual amounts in the 2014/15 Adjusted Appropriation and Revised Estimate, due to an oversight.

The high spending against *Transfers and subsidies to: Households* in 2013/14 and the 2014/15 Revised Estimate relates to medico-legal claims against the department. No provision was made for these claims in the 2015/16 MTEF due to Census and fiscal consolidation cuts and, hence, the decrease in 2015/16 and minimal growth thereafter. This will be addressed from savings in-year should any claims arise.

The low spending against *Machinery and equipment* in 2011/12 relates mainly to delays in tender processes in respect of the supply of essential cardiology equipment for Grey's Hospital. The 2012/13 expenditure was adjusted to give effect to the A-G's ruling regarding the PPP, as mentioned above. However, this was mitigated by the replacement of critical medical equipment at Grey's following the decision to decentralise the procurement of this equipment from Programme 8. The increase in 2013/14 was due to critical medical equipment ordered in 2012/13, but only delivered in 2013/14. The decrease in the 2014/15 Revised Estimate is due to the slow pace of delivery of medical equipment. The increase over the 2015/16 MTEF is a provision for the planned replacement and modernisation of tertiary services critical major medical equipment.

Service delivery measures – Programme 5: Central Hospital Services

Table 7.29 illustrates service delivery measures pertaining to Programme 5: Central Hospital Services. The measures comply fully with the customised measures of the Health sector.

Where an indicator is newly introduced and the baseline has been established, the indicator is marked as "New" with targets set from 2015/16.

Table 7.29 : Service delivery measures – Programme 5: Central Hospital Services

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|--|--|-----------------------|---------------------|----------|----------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 1. Tertiary Hospitals | | | | | | |
| To provide tertiary health services and create a platform for the training of health workers | • National core standards self-assessment rate | 100% | 100% | 100% | 100% | |
| | • Quality improvement plan after self-assessment rate | New | 100% | 100% | 100% | |
| | • Percentage of hospitals compliant with all extreme and vital measures of the national core standards | New | 50% | 50% | 50% | |
| | • Patient satisfaction survey rate | 100% | 100% | 100% | 100% | |
| | • Patient satisfaction rate | 81% | 85% | 90% | 95% | |
| | • Average length of stay - total | 10 Days | 9.6 Days | 9.4 Days | 9.3 Days | |
| | • Inpatient bed utilisation rate - total | 83.9% | 84 % | 84.4 % | 84.5 % | |
| | • Mental health admission rate | 1.2% | 1.3% | 1.4 % | 1.4 % | |
| | • Expenditure per patient day equivalent (PDE) | R 5 392 | R 5 553 | R 5 721 | R 6 275 | |
| | • Complaint resolution rate | 73% | 75% | 80% | 85% | |
| | • Complaint resolution within 25 working days rate | 100% | 100% | 100% | 100% | |
| 2. Central Hospitals | | | | | | |
| Rendering of a highly specialised medical health and quaternary service on a national basis and a platform for the training of health workers and research | • National core standards self-assessment rate | 100% | 100% | 100% | 100% | |
| | • Quality improvement plan after self-assessment rate | New | 100% | 100% | 100% | |
| | • Percentage of hospitals compliant with all extreme and vital measures of the national core standards | New | 100% | 100% | 100% | |
| | • Patient satisfaction survey rate | 100% | 100% | 100% | 100% | |
| | • Patient satisfaction rate | 82% | 96% | 97% | 98% | |
| | • Average length of stay - total | 8.4 Days | 8.2 Days | 7.7 Days | 7.2 Days | |
| | • Inpatient bed utilisation rate - total | 68.5% | 74.3% | 75.2% | 76.1% | |
| | • Mental health admission rate | 0% | 0% | 0% | 0% | |
| | • Expenditure per patient day equivalent (PDE) | R 3 728 | R 3 254 | R 3 271 | R 3 303 | |
| | • Complaint resolution rate | 42.9% | 80% | 86.2% | 90% | |
| | • Complaint resolution within 25 working days rate | 100% | 95% | 96% | 97% | |

6.6 Programme 6: Health Sciences and Training

The purpose of this programme is to render training and development opportunities for actual and potential employees of the department.

The five sub-programmes have the following main aims:

- To provide for training of nurses at under-graduate and post-basic level.
- To provide training of rescue and ambulance personnel.
- To provide PHC related training for personnel.
- To provide skills development interventions for all occupational categories in the department.
- To provide bursaries for health science training at undergraduate and post-graduate levels.

Tables 7.30 and 7.31 summarise information relating to Programme 6 for the period 2011/12 to 2017/18.

Table 7.30 : Summary of payments and estimates by sub-programme: Health Sciences and Training

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|---------------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Nursing Training Colleges | 355 879 | 334 013 | 292 602 | 302 768 | 302 756 | 276 379 | 296 953 | 312 765 | 328 403 |
| 2. EMS Training Colleges | 11 417 | 10 890 | 5 968 | 7 570 | 7 549 | 5 042 | 4 709 | 4 967 | 5 215 |
| 3. Bursaries | 64 433 | 82 997 | 205 880 | 216 950 | 216 950 | 258 458 | 237 500 | 250 034 | 263 036 |
| 4. Primary Health Care Training | 58 922 | 54 574 | 47 043 | 52 172 | 52 172 | 43 481 | 49 610 | 52 256 | 54 869 |
| 5. Training Other | 369 780 | 419 461 | 447 858 | 471 940 | 471 940 | 468 008 | 466 478 | 515 388 | 541 158 |
| Total | 860 431 | 901 935 | 999 351 | 1 051 400 | 1 051 367 | 1 051 368 | 1 055 250 | 1 135 410 | 1 192 681 |

Table 7.31 : Summary of payments and estimates by economic classification: Health Sciences and Training

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 776 485 | 804 266 | 789 339 | 824 702 | 824 702 | 796 332 | 816 250 | 886 916 | 931 263 |
| Compensation of employees | 720 257 | 746 254 | 736 405 | 766 143 | 766 143 | 737 958 | 743 354 | 810 108 | 850 613 |
| Goods and services | 56 228 | 58 012 | 52 931 | 58 559 | 58 559 | 58 374 | 72 896 | 76 808 | 80 650 |
| Interest and rent on land | - | - | 3 | - | - | - | - | - | - |
| Transfers and subsidies to: | 83 335 | 96 105 | 208 586 | 220 698 | 220 665 | 251 069 | 230 000 | 242 173 | 254 782 |
| Provinces and municipalities | - | - | - | 48 | 15 | 15 | - | - | - |
| Departmental agencies and accounts | 8 588 | 10 119 | 11 282 | 13 000 | 13 000 | 15 768 | 16 000 | 16 842 | 17 684 |
| Higher education institutions | - | 57 | 498 | - | - | 16 | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 14 298 | 15 130 | - | - | - | - | - | - | - |
| Households | 60 449 | 70 799 | 196 806 | 207 650 | 207 650 | 235 270 | 214 000 | 225 331 | 237 098 |
| Payments for capital assets | 610 | 1 564 | 1 426 | 6 000 | 6 000 | 3 963 | 9 000 | 6 321 | 6 636 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 610 | 1 564 | 1 426 | 6 000 | 6 000 | 3 963 | 9 000 | 6 321 | 6 636 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 1 | - | - | - | - | 4 | - | - | - |
| Total | 860 431 | 901 935 | 999 351 | 1 051 400 | 1 051 367 | 1 051 368 | 1 055 250 | 1 135 410 | 1 192 681 |

The increasing trend in this programme and *Compensation of employees* can largely be attributed to the various OSDs and wage agreements, the introduction of a compulsory two-year internship for medical doctors and the drive to increase the capacity of nursing personnel. Also contributing was a training drive, increased bursary allocation and provision for the intake of medical, dental, pharmaceutical, and other interns. The increase in 2012/13 relates to the training of an additional 148 learners in basic life and support skills for emergency and medical rescue services, as well as the training of additional doctors under the Cuban Doctors' programme. This funding is evident in the trends in the Bursaries sub-programme. The reduction in *Compensation of employees* in 2013/14 was due to the movement of student nurses from the more expensive salary system to a system of stipends. Also contributing to the reduction was cost-cutting aimed at reducing training and travelling costs. The reduction in the 2014/15 Revised Estimate was due to the movement of Nutrition Advisors to Other Community Services in Programme 2. The training programme for these employees was under Programme 6 and, after completion of training, the staff are shifted to Programme 2. Note that this training programme is not continuing over the 2015/16 MTEF. The significant increase in *Transfers and subsidies to: Households* from 2013/14 onward is attributed to the pressures in bursary payments related to the increase in student numbers on the Cuban Doctors' programme. The trends over the 2015/16 MTEF are for inflationary purposes only.

The increase in the sub-programme: Bursaries in 2012/13 resulted from a decision to provide additional funding to this sub-programme to increase training of personnel in health related fields. The increase over the entire seven-year period relates to the increase in student numbers on the Cuban Doctors' programme.

In the sub-programme: Training Other, the increase over the seven-year period is due to the extension of the medical internship period to two years, and the OSD for doctors. The 2015/16 MTEF increase provides for the carry-through costs of the various wage agreements.

The trend across the seven-year period shows a steady increase in *Compensation of employees* and includes carry-through costs for OSDs for medical personnel and wage agreements. The low growth in 2012/13 through to 2014/15 reflects the change in the department's policy, with regard to nurses being paid by stipend and no longer on the more expensive permanent salary basis. The decision to reduce intakes in nurse training programmes in light of budget cuts also contributed to this low growth in *Compensation of employees*. The further decrease in the 2014/15 Revised Estimate relates to the previously mentioned shifting of Nutritional Advisors to Programme 2 after completion of the training.

The fluctuating trend in *Goods and services* is attributed to the travelling costs related to the Cuban Doctors' programme, as well as the training of personnel in health related fields. The decrease in 2013/14

was due to forced savings to address the previously mentioned bursary pressures related to the Cuban Doctors' programme. Growth over the 2015/16 MTEF addresses the related travelling costs of increased number of students in the Cuban Doctors' programme and inflationary pressures in the outer two years.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences which have been centralised to Programme 1 in the 2014/15 Adjusted Appropriation. Historical data was restated for comparative purposes, apart from the previously mentioned residual amounts in the 2014/15 Adjusted Appropriation and Revised Estimate, due to an oversight.

The category *Transfers and subsidies to: Departmental agencies and accounts* shows growth from 2011/12 through to 2014/15, which is ascribed to the HWSETA levy, which is in line with the growth in *Compensation of employees*.

The expenditure against *Transfers and subsidies to: Non-profit institutions* in 2011/12 and 2012/13 relates to McCord Hospital. The ceasing of funding from 2013/14 is attributed to the provincialisation of McCord Hospital during 2013/14.

The significant increase in *Transfers and subsidies to: Households* from 2013/14 onward relates to the department's decision to implement intensive training programmes through bursaries in order to address the shortage of personnel in the health fields, including the previously mentioned Cuban Doctors' programme. The low growth in 2015/16 compared to the 2014/15 Adjusted Appropriation is due to the decision to no longer expand the bursary programme due to budget pressures.

The increase against *Machinery and equipment* from 2011/12 to 2012/13 relates to provision of additional equipment at the various training campuses. The reduced amount in 2013/14 relates to funding moved to the service delivery programmes, to address pressures in these programmes. The increase in 2014/15 seeks to address shortages that have arisen in the past and grows erratically over the 2015/16 MTEF, as per the cyclical nature of equipment replacement.

The expenditure against *Payments for financial assets* relates to the write-off of losses.

Service delivery measures – Programme 6: Health Sciences and Training

Table 7.32 below illustrates service delivery pertaining to Programme 6. The measures comply fully with the customised measures of the health sector.

Table 7.32 : Service delivery measures – Programme 6: Health Sciences and Training

| Table 1.52: Service delivery measures – Programme 6: Health Sciences and Training | | | | | |
|--|---|-------------------------|--------------------------|--------------------------|--------------------------|
| Outputs | Performance indicators | Estimated performance | Medium-term targets | | |
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Bursaries | | | | | |
| Provision of bursaries for health science training programmes at undergraduate and postgraduate levels. Target group includes actual and potential employees | • No. of bursaries awarded for first year medicine students | 131 (35 RSA + 96 Cuban) | 154 (54 RSA + 100 Cuban) | 150 (50 RSA + 100 Cuban) | 160 (60 RSA + 100 Cuban) |
| | • No. of bursaries awarded for first year nursing students | 450 | 450 | 450 | 450 |

6.7 Programme 7: Health Care Support Services

The aim of this programme is to house a number of centralised services including:

- The provincial Medical Supply Centre, which manages the supply of pharmaceuticals and medical sundries to hospitals, community health centres, clinics and local authorities, via the Medicine Trading Account.
- Provision of laundry services to hospitals, care and rehabilitation centres and certain local authorities.
- Provision of specialised orthotic and prosthetic services to hospitals and clinics.

Tables 7.33 and 7.34 summarise the payments and estimates relating to this programme for the period 2011/12 to 2017/18.

Table 7.33 : Summary of payments and estimates by sub-programme: Health Care Support Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|-------------------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Medicine Trading Account | 13 971 | 15 170 | - | - | - | - | - | - | - |
| 2. Laundry Services | 84 995 | 90 040 | 90 271 | 104 578 | 112 439 | 115 402 | 104 280 | 110 413 | 115 934 |
| 3. Orthotic and Prosthetic Services | 26 002 | 25 331 | 32 573 | 36 381 | 28 495 | 25 532 | 34 008 | 35 924 | 37 720 |
| Total | 124 968 | 130 541 | 122 844 | 140 959 | 140 934 | 140 934 | 138 288 | 146 337 | 153 654 |

Table 7.34 : Summary of payments and estimates by economic classification: Health Care Support Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 110 448 | 112 663 | 121 545 | 132 685 | 132 685 | 138 176 | 135 113 | 142 995 | 150 145 |
| Compensation of employees | 75 511 | 78 745 | 81 357 | 89 900 | 89 900 | 85 596 | 95 700 | 100 895 | 105 940 |
| Goods and services | 34 937 | 33 918 | 40 188 | 42 785 | 42 785 | 52 580 | 39 413 | 42 100 | 44 205 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 14 483 | 16 493 | 1 285 | 674 | 649 | 1 032 | 575 | 606 | 637 |
| Provinces and municipalities | - | - | - | 124 | 99 | 74 | - | - | - |
| Departmental agencies and accounts | 14 483 | 15 170 | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | 1 323 | 1 285 | 550 | 550 | 958 | 575 | 606 | 637 |
| Payments for capital assets | 35 | 1 385 | 14 | 7 600 | 7 600 | 1 726 | 2 600 | 2 736 | 2 872 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 35 | 1 385 | 14 | 7 600 | 7 600 | 1 726 | 2 600 | 2 736 | 2 872 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 2 | - | - | - | - | - | - | - | - |
| Total | 124 968 | 130 541 | 122 844 | 140 959 | 140 934 | 140 934 | 138 288 | 146 337 | 153 654 |

Note that, from 2013/14, the department centralised within Programme 7, the Laundry Services and the Orthotic and Prosthetic Services as separate sub-programmes, which is in line with the budget and programme structure for the Health sector. These functions were previously spread over Programmes 2, 4 and 5. Historical data was adjusted accordingly.

The expenditure against the Medicine Trading Account sub-programme in 2011/12 and 2012/13 results from the additional funding that was required to enable the provincial Medical Supply Centre to carry sufficient medical stock to meet demand. The reduction in 2013/14 was due to the sufficient funding for the supply of pharmaceuticals and medical sundries, with no top-up needed. This situation is carried through to 2015/16, but will be reviewed in-year for the next budget process. This also accounts for the trend against *Transfers and subsidies to: Departmental agencies and accounts*.

The notable increase in 2014/15 against the Laundry Services sub-programme is due to additional laundry linen and laundry vehicles for the commissioning of the Prince Mshiyeni Central Laundry. The further increase in the 2014/15 Adjusted Appropriation and Revised Estimate was a provision for outsourcing the laundry service due to the delays in the commissioning of Prince Mshiyeni Central Laundry services.

The sub programme: Orthotic and Prosthetic Services grows steadily over the seven-year period. The decrease in the 2014/15 Adjusted Appropriation and Revised Estimate was due to funds moved within the programme to address the above mentioned laundry service pressures.

Compensation of employees grows steadily over the seven-year period, driven mainly by the various higher than expected wage agreements.

The high growth in *Goods and services* in the 2014/15 Revised Estimate is due to the provision for the bulk purchase of linen for the commissioning of Prince Mshiyeni Central Laundry, the once-off procurement of laundry vehicles, as well as the outsourcing of laundry services during this period while awaiting the commissioning of the laundry. This accounts for the lower amount in 2015/16, with inflationary growth thereafter.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences which have been centralised under Programme 1 in the 2014/15 Adjusted Appropriation. Historical data has been restated for comparative purposes, apart from the previously mentioned residual amounts in 2014/15 Adjusted Appropriation and Revised Estimate, due to an oversight.

The fluctuating trend against *Transfers and subsidies to: Households* relates to the unpredictable nature of staff exit costs.

Expenditure against *Machinery and equipment* relates to office equipment and laundry vehicles for the programme. The reduction in 2013/14 was related to the delay in the delivery of laundry vehicles. The increase in the 2014/15 Main Appropriation was due to the planned once-off purchase of special/modified laundry vehicles, which has not materialised due to slow delivery hence the drop in the 2014/15 Revised Estimate. Provision is made for inflationary increases in 2016/17 and 2017/18.

6.8 Programme 8: Health Facilities Management

Programme 8: Health Facilities Management consists of six sub-programmes, the main aim of which is the facilities management of community health clinics, community health centres, district hospitals, emergency medical services facilities, provincial hospitals, central and tertiary hospitals, as well as all other buildings and structures.

The main activities of the programme are to provide new health facilities, and rehabilitate, upgrade and maintain existing facilities. This includes the provision of additional primary health care facilities, to ensure improved access to health services in under-served areas of the province, as well as the provision of major medical equipment.

Tables 7.35 and 7.36 below summarise payments and estimates relating to Programme 8.

The increasing trend from 2011/12 to 2012/13 is largely the result of a drive to improve and maintain the infrastructure of the department and is also related to increasing conditional grant funding, especially the Health Facility Revitalisation grant, as well as the department's equitable share.

The declining or flat trend in the two outer years of the 2015/16 MTEF in most sub-programmes and in *Buildings and other fixed structures*, as well as *Machinery and equipment* relates to the previously mentioned decrease in the Health Facility Revitalisation grant in 2016/17.

Table 7.35 : Summary of payments and estimates by sub-programme: Health Facilities Management

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|---------------------------------|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Community Health Facilities | 426 102 | 562 070 | 523 719 | 266 614 | 307 486 | 403 524 | 200 842 | 79 226 | 105 229 |
| 2. District Hospital Services | 720 786 | 651 614 | 588 488 | 461 884 | 540 694 | 526 685 | 159 266 | 165 428 | 165 508 |
| 3. Emergency Medical Services | 3 285 | 5 377 | 1 328 | 1 737 | 694 | - | 2 381 | 2 413 | 27 413 |
| 4. Provincial Hospital Services | 531 961 | 812 898 | 600 958 | 607 395 | 539 311 | 522 422 | 941 445 | 918 712 | 967 110 |
| 5. Central Hospital Services | 4 720 | 28 598 | 24 396 | 12 230 | 18 362 | 15 149 | 11 897 | 11 235 | 11 234 |
| 6. Other Facilities | 208 145 | 313 041 | 261 917 | 129 497 | 274 000 | 212 767 | 235 521 | 222 207 | 193 187 |
| Total | 1 894 999 | 2 373 597 | 2 000 806 | 1 479 357 | 1 680 547 | 1 680 547 | 1 551 352 | 1 399 221 | 1 469 681 |

Table 7.36 : Summary of payments and estimates by economic classification: Health Facilities Management

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 522 372 | 463 510 | 349 449 | 169 774 | 328 279 | 377 450 | 405 904 | 374 441 | 329 006 |
| Compensation of employees | 12 736 | 21 998 | 24 048 | 7 581 | 25 089 | 24 400 | 37 000 | 37 000 | 42 000 |
| Goods and services | 509 636 | 441 511 | 325 401 | 162 193 | 303 190 | 353 050 | 368 904 | 337 441 | 287 006 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 10 783 | 20 000 | 20 022 | - | 14 | 36 | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 10 000 | 20 000 | 20 000 | - | - | - | - | - | - |
| Households | 783 | - | 22 | - | 14 | 36 | - | - | - |
| Payments for capital assets | 1 361 844 | 1 890 088 | 1 631 335 | 1 309 583 | 1 352 254 | 1 303 061 | 1 145 448 | 1 024 780 | 1 140 675 |
| Buildings and other fixed structures | 1 048 172 | 1 662 936 | 1 530 893 | 1 249 773 | 1 269 855 | 1 219 675 | 1 143 659 | 1 014 780 | 1 130 675 |
| Machinery and equipment | 287 217 | 227 152 | 100 442 | 59 810 | 82 399 | 83 386 | 1 789 | 10 000 | 10 000 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | 26 455 | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 1 894 999 | 2 373 597 | 2 000 806 | 1 479 357 | 1 680 547 | 1 680 547 | 1 551 352 | 1 399 221 | 1 469 681 |

The increase in *Compensation of employees* shown from 2011/12 to 2015/16 is due to the implementation of the EPWP Integrated Grant for Provinces, which utilises local people to maintain grounds and clean buildings. The decrease in the 2014/15 Main Appropriation was due to insufficient grant funding received, which was addressed in the 2014/15 Adjusted Appropriation and Revised Estimate, with movement of funding from within the programme to address pressures in stipends for contract workers doing maintenance.

The day-to-day maintenance drive accounts for the peak against *Goods and services* in 2011/12 and is an effort to bring facilities up to standard for the roll-out of the NHI. The reduction in *Goods and services* in 2012/13 is a result of the hired/leased properties being paid under capital projects, and this has been reversed in 2013/14. The reduction in 2013/14 was due to the provincial tenders not being in place, poor performing contractors were also reported by some districts and lack of capacity at some institutions in carrying out the maintenance functions. The reduction in the 2014/15 Main Appropriation relates to the Census based budget cuts. This 2014/15 allocation was not sufficient to cover the department's maintenance requirements, hence an increase in the 2014/15 Adjusted Appropriation and Revised Estimate. These were forced savings from *Buildings and other fixed structures* to address the previously mentioned pressures. The level of funding for maintenance decreases over the 2015/16 MTEF due to the previously mentioned Census-based baseline budget cuts initiated in 2013/14, as well as the reduction of the Health Facility Revitalisation grant.

With regard to *Transfers and subsidies to: Non-profit institutions*, the department transferred R10 million in 2011/12 and R20 million in 2012/13, with a final transfer of R20 million in 2013/14 to the KZN Children's Hospital Trust for the development and refurbishment of the KZN Children's Hospital in the eThekweni Metro.

In 2012/13, the Health Facility Revitalisation grant received additional funding of R200 million for in-year pressures. In addition, R185.963 million was allocated from provincial cash resources due to acceleration in infrastructure projects, including pressures in the supply of laundry and essential health technology equipment and R6.250 million for the upgrade of the PABX communication system.

Some additional funding was provided in 2013/14 for the refurbishment of nurses training colleges provided in the Health Facility Revitalisation grant, as well as additional funding allocated under *Current payments* to enable the department to address capacity issues in order to provide better support to infrastructure management.

In 2013/14, the Health Facility Revitalisation grant received an additional R110 million, and R200 million of equitable share funding was allocated due to the acceleration of infrastructure projects which included three CHCs, the regional laundry in eThekweni and clinics in uMlalazi, Msinga, Mthonjaneni and Jozini.

In the 2014/15 Adjusted Appropriation, R1.190 million was allocated to *Buildings and other fixed structures* in Programme 8 for various infrastructure changes that need to be made at the McCord Hospital to convert it to a specialist eye hospital and R200 million was allocated to *Buildings and other fixed structures* for infrastructure pressures in the Health Facility Revitalisation grant. The main project over the 2015/16 MTEF is the new Dr. Pixley ka Seme Hospital, with funding also for the Ngwelezane Hospital (construct new 192 bed medical ward) and Stanger Hospital (construct new labour and neo-natal ward).

The high base against *Machinery and equipment* in 2011/12 was due to once-off payments for essential medical equipment, needed to meet the requirements of the NHI. The decreases in 2012/13 can mainly be attributed to this once-off expenditure, while the further decrease in 2013/14 is due to reprioritisation undertaken, as the funding was required for committed and contracted capital projects which were already in construction phase. The increase in the 2014/15 Adjusted Appropriation and Revised Estimate is funding reprioritised from *Buildings and other fixed structures* for equipment for newly constructed facilities. The low base over the 2015/16 MTEF is due to prioritising budget to *Buildings and other fixed structures*. This will be reviewed in year.

The expenditure against *Land and subsoil assets* in 2011/12 was for the purchase of additional land for the Dr. Pixley ka Seme Hospital due to its status having changed from a district hospital to a regional hospital, as well as the purchase of the Richmond Chest Hospital.

Service delivery measures – Programme 8: Health Facilities Management

Table 7.37 below illustrates service delivery pertaining to Programme 8. The measures comply fully with the customised measures of the Health sector.

Table 7.37 : Service delivery measures – Programme 8: Health Facilities Management

| Table 10.1: Service delivery measures – Programme of Health Facilities Management | | | | | |
|--|--|-----------------------|---------------------|---------|---------|
| Outputs | Performance indicators | Estimated performance | Medium-term targets | | |
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 1. Health Facilities Management | | | | | |
| Provision of new health facilities and the refurbishment, upgrading and maintenance of existing facilities | • No. of health facilities that have undergone major and minor refurbishment | 56 | 21 | 8 | 8 |
| | • Establish SLAs with DOPW (and any other implementing agents) | 1 | 1 | 1 | 1 |

7. Other programme information

7.1 Personnel numbers and costs

Tables 7.38 and 7.39 reflect personnel information for the Department of Health. The following personnel are not included in the information provided as they are not paid from the department's voted funds:

- Personnel working at the Provincial Pharmacy Supply Depot, who are paid from the Medicine Trading Account.
- Staff occupying sub-vented (shared costs) posts and whose salaries are claimed from UKZN.

The high staff number in 2011/12 is largely due to the department placing student nurses and CCGs on the payroll. Although the numbers have increased significantly, the cost to the department for CCGs has not increased, as the affected staff were paid *via* transfers to NGOs previously. In the case of student nurses, the costs are lower as they now receive a stipend, instead of a full salary. Also affecting the upward trend from 2011/12 was the restructuring of the department, with the focus placed on the less expensive and

more efficient primary health care services. This has required the employment of additional professional staff, as well as community health workers.

Table 7.38 indicates that the department's level of employment will stabilise at 83 192, but it must be noted that this is not the full staff establishment (approximately 92 400) and only reflects the level of employment that is able to be accommodated within the current budget.

Table 7.38 : Personnel numbers and costs by programme

| 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 | 731 | 781 | 779 | 781 | 781 | 781 | 781 |
| 2. District Health Services | 43 224 | 38 895 | 48 237 | 46 968 | 46 968 | 46 968 | 46 968 |
| 3. Emergency Medical Services | 3 228 | 3 168 | 3 241 | 3 213 | 3 213 | 3 213 | 3 213 |
| 4. Provincial Hospital Services | 21 200 | 22 099 | 22 338 | 22 702 | 22 702 | 22 702 | 22 702 |
| 5. Central Hospital Services | 4 125 | 4 507 | 4 475 | 4 564 | 4 564 | 4 564 | 4 564 |
| 6. Health Sciences and Training | 4 613 | 4 212 | 4 159 | 3 799 | 3 799 | 3 799 | 3 799 |
| 7. Health Care Support Services | 497 | 499 | 495 | 489 | 489 | 489 | 489 |
| 8. Health Facilities Management | 9 | 565 | 882 | 676 | 676 | 676 | 676 |
| Total | 77 627 | 74 726 | 84 606 | 83 192 | 83 192 | 83 192 | 83 192 |
| Total personnel cost (R thousand) | 15 118 307 | 16 886 345 | 18 676 776 | 20 109 624 | 21 138 481 | 22 383 173 | 23 592 758 |
| Unit cost (R thousand) | 195 | 226 | 221 | 242 | 254 | 269 | 284 |

Table 7.39 : Summary of departmental personnel numbers and costs by component

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|---|-----------------|------------|------------|-----------------------|---------------------------|---------------------|-----------------------|------------|------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Total for the department | | | | | | | | | |
| Personnel numbers (head count) | 77 627 | 74 726 | 84 606 | 83 531 | 83 192 | 83 192 | 83 192 | 83 192 | 83 192 |
| Personnel cost (R thousands) | 15 118 307 | 16 886 345 | 18 676 776 | 20 188 402 | 20 211 032 | 20 109 624 | 21 138 481 | 22 383 173 | 23 592 758 |
| Human resources component | | | | | | | | | |
| Personnel numbers (head count) | 1 074 | 1 138 | 1 268 | 1 303 | 1 303 | 1 303 | 1 268 | 1 268 | 1 268 |
| Personnel cost (R thousands) | 205 109 | 22 598 | 312 595 | 264 610 | 344 527 | 344 527 | 353 887 | 376 181 | 394 990 |
| Head count as % of total for department | 1.38 | 1.52 | 1.50 | 1.56 | 1.57 | 1.57 | 1.52 | 1.52 | 1.52 |
| Personnel cost as % of total for department | 1.36 | 0.13 | 1.67 | 1.31 | 1.70 | 1.71 | 1.67 | 1.68 | 1.67 |
| Finance component | | | | | | | | | |
| Personnel numbers (head count) | 3 547 | 2 702 | 3 014 | 3 023 | 3 023 | 3 023 | 3 014 | 3 014 | 3 014 |
| Personnel cost (R thousands) | 421 121 | 442 681 | 547 493 | 551 507 | 650 086 | 650 086 | 619 814 | 658 862 | 691 805 |
| Head count as % of total for department | 4.57 | 3.62 | 3.56 | 3.62 | 3.63 | 3.63 | 3.62 | 3.62 | 3.62 |
| Personnel cost as % of total for department | 2.79 | 2.62 | 2.93 | 2.73 | 3.22 | 3.23 | 2.93 | 2.94 | 2.93 |
| Full time workers | | | | | | | | | |
| Personnel numbers (head count) | 73 096 | 73 250 | 80 242 | 71 945 | 71 945 | 71 945 | 71 966 | 71 966 | 71 966 |
| Personnel cost (R thousands) | 14 540 412 | 16 318 828 | 18 379 522 | 19 712 386 | 19 735 016 | 19 633 608 | 20 638 889 | 21 852 857 | 23 033 003 |
| Head count as % of total for department | 94.16 | 98.02 | 94.84 | 86.13 | 86.48 | 86.48 | 86.51 | 86.51 | 86.51 |
| Personnel cost as % of total for department | 96.18 | 96.64 | 98.41 | 97.64 | 97.64 | 97.63 | 97.64 | 97.63 | 97.63 |
| Part-time workers | | | | | | | | | |
| Personnel numbers (head count) | 798 | 902 | 825 | 848 | 846 | 846 | 825 | 825 | 825 |
| Personnel cost (R thousands) | 141 256 | 135 763 | 220 469 | 231 016 | 231 016 | 231 016 | 249 592 | 265 316 | 277 255 |
| Head count as % of total for department | 1.03 | 1.21 | 0.98 | 1.02 | 1.02 | 1.02 | 0.99 | 0.99 | 0.99 |
| Personnel cost as % of total for department | 0.93 | 0.80 | 1.18 | 1.14 | 1.14 | 1.15 | 1.18 | 1.19 | 1.18 |
| Contract workers | | | | | | | | | |
| Personnel numbers (head count) | 3 733 | 574 | 3 539 | 10 401 | 10 401 | 10 401 | 10 401 | 10 401 | 10 401 |
| Personnel cost (R thousands) | 436 639 | 431 754 | 76 785 | 245 000 | 245 000 | 245 000 | 250 000 | 265 000 | 282 500 |
| Head count as % of total for department | 4.81 | 0.77 | 4.18 | 12.45 | 12.50 | 12.50 | 12.50 | 12.50 | 12.50 |
| Personnel cost as % of total for department | 2.89 | 2.56 | 0.41 | 1.21 | 1.21 | 1.22 | 1.18 | 1.18 | 1.20 |

7.2 Training

Tables 7.40 and 7.41 reflect departmental expenditure on training, which is centralised under Programme 6: Health Sciences and Training.

The department is required by the Skills Development Act to budget at least 1 per cent of its salary expenses on staff training, to cater for human resource development. As the percentage spent on training exceeds three per cent of the department's baseline, this requirement is fully achieved.

The costs reflected include the costs of staff and other running costs within Programme 6, hence the total cost is more than that reflected against *Training and development* in Annexure 7B. The training provided is for medical interns, nurses, emergency medical rescue and ambulance personnel and skills development for all occupational categories in the department. The department has several training programmes aimed at developing and retaining skills. These include training at Nursing Colleges, the Cuban Doctors' programme, as well as registrar training programmes in respect of specialist medical training. The most significant portion of the training costs within Programme 6 is for *Other*, and relates to the running costs of the various institutions (including *Compensation of employees* for training staff).

Table 7.40 : Payments on training by programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|--|-----------------|----------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | - | - | - | - | - | - | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| 2. District Health Services | - | - | - | - | - | - | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| 3. Emergency Medical Services | - | - | - | - | - | - | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| 4. Provincial Hospital Services | - | - | - | - | - | - | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| 5. Central Hospital Services | - | - | - | - | - | - | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| 6. Health Sciences and Training | 860 457 | 901 968 | 1 012 752 | 1 051 400 | 1 051 400 | 1 051 400 | 1 104 853 | 1 163 410 | 1 221 581 |
| Subsistence and travel | 8 297 | 18 048 | 11 157 | 11 300 | 11 300 | 11 300 | 11 876 | 12 482 | 13 118 |
| Payments on tuition | 93 032 | 111 738 | 241 605 | 205 650 | 205 650 | 205 650 | 216 138 | 227 161 | 238 746 |
| Other | 759 128 | 772 182 | 759 990 | 834 450 | 834 450 | 834 450 | 876 839 | 923 767 | 969 717 |
| 7. Health Care Support Services | - | - | - | - | - | - | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| 8. Health Facilities Management | - | - | - | - | - | - | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Total | 860 457 | 901 968 | 1 012 752 | 1 051 400 | 1 051 400 | 1 051 400 | 1 104 853 | 1 163 410 | 1 221 581 |

Table 7.41 : Information on training: Health

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|----------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Number of staff | 77 627 | 74 726 | 84 606 | 83 531 | 83 192 | 83 192 | 83 192 | 83 192 | 83 192 |
| Number of personnel trained | 13 703 | 24 950 | 9 530 | 9 500 | 9 500 | 9 500 | 11 500 | 13 500 | 15 500 |
| of which | | | | | | | | | |
| Male | 3 850 | 6 904 | 2 439 | 3 330 | 3 330 | 3 330 | 4 130 | 4 930 | 5 730 |
| Female | 9 853 | 18 046 | 7 091 | 6 170 | 6 170 | 6 170 | 7 370 | 8 570 | 9 770 |
| Number of training opportunities | 12 150 | 12 410 | 13 155 | 8 030 | 8 030 | 8 030 | 8 916 | 8 975 | 9 048 |
| of which | | | | | | | | | |
| Tertiary | 1 600 | 1 700 | 1 802 | 32 | 32 | 32 | 100 | 120 | 140 |
| Workshops | 500 | 550 | 583 | 618 | 618 | 618 | 618 | 655 | 688 |
| Seminars | 50 | 60 | 64 | 198 | 198 | 198 | 198 | 200 | 220 |
| Other | 10 000 | 10 100 | 10 706 | 7 182 | 7 182 | 7 182 | 8 000 | 8 000 | 8 000 |
| Number of bursaries offered | 1 103 | 897 | 1 487 | 1 581 | 1 581 | 1 581 | 1 600 | 1 700 | 1 800 |
| Number of interns appointed | 380 | 500 | 183 | 272 | 272 | 272 | 150 | 200 | 250 |
| Number of learnerships appointed | 250 | 250 | 250 | 181 | 181 | 181 | 250 | 250 | 263 |
| Number of days spent on training | - | - | - | - | - | - | - | - | - |

ANNEXURE – VOTE 7: HEALTH

Table 7.A : Details of departmental receipts: Health

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 196 395 | 207 758 | 237 077 | 220 512 | 220 512 | 220 512 | 231 538 | 243 810 | 256 000 |
| Sale of goods and services produced by dept. (excl. capital assets) | 195 657 | 207 520 | 236 584 | 219 702 | 219 702 | 219 702 | 230 728 | 242 957 | 255 104 |
| Sales by market establishments | 16 492 | 23 858 | 14 369 | 22 005 | 22 005 | 22 005 | 23 185 | 24 414 | 25 634 |
| Administrative fees | 3 028 | 169 | 4 347 | 783 | 783 | 783 | 783 | 824 | 866 |
| Other sales | 176 137 | 183 493 | 217 868 | 196 914 | 196 914 | 196 914 | 206 760 | 217 718 | 228 604 |
| Of which | | | | | | | | | |
| Health patient fees | 100 665 | 114 720 | 144 630 | 120 319 | 120 319 | 120 319 | 126 335 | 133 031 | 139 682 |
| Reimbursement of goods issued | 25 | - | 19 | - | - | - | - | - | - |
| Services rendered | 64 728 | 56 763 | 71 301 | 63 667 | 63 667 | 63 667 | 66 845 | 70 388 | 73 907 |
| Special events: Ambulance services | 9 983 | 11 010 | 978 | 11 815 | 11 815 | 11 815 | 12 406 | 13 064 | 13 717 |
| Sale of scrap, waste, arms and other used current goods (excl. capital assets) | 738 | 238 | 493 | 810 | 810 | 810 | 810 | 853 | 896 |
| Transfers received from: | - | - | - | - | - | - | - | - | - |
| Other governmental units | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments | - | - | - | - | - | - | - | - | - |
| International organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Households and non-profit institutions | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | 17 | 12 | 29 | 21 | 21 | 21 | 21 | 22 | 23 |
| Interest, dividends and rent on land | 366 | 140 | 5 988 | 217 | 217 | 217 | 217 | 229 | 240 |
| Interest | 366 | 140 | 5 988 | 217 | 217 | 217 | 217 | 229 | 240 |
| Dividends | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Sales of capital assets | - | 17 929 | 9 607 | 10 000 | 10 000 | 10 000 | 10 000 | 10 530 | 11 057 |
| Land and sub-soil assets | - | 17 929 | 9 607 | 10 000 | 10 000 | 10 000 | 10 000 | 10 530 | 11 057 |
| Other capital assets | - | - | - | - | - | - | - | - | - |
| Transactions in financial assets and liabilities | 11 220 | 12 650 | 18 046 | 15 411 | 15 411 | 15 411 | 16 182 | 17 040 | 17 892 |
| Total | 207 998 | 238 489 | 270 747 | 246 161 | 246 161 | 246 161 | 257 958 | 271 630 | 285 211 |

Table 7.B : Payments and estimates by economic classification: Health

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|---|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|-------------------|-------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 22 374 653 | 24 746 845 | 26 890 291 | 28 624 542 | 28 780 978 | 28 545 638 | 30 780 575 | 32 579 143 | 34 548 177 |
| Compensation of employees | 15 118 307 | 16 886 345 | 18 676 776 | 20 188 402 | 20 211 032 | 20 109 624 | 21 138 481 | 22 383 173 | 23 592 758 |
| Salaries and wages | 13 137 130 | 14 687 243 | 16 304 543 | 17 591 149 | 17 610 277 | 17 495 637 | 18 503 497 | 19 650 007 | 20 689 036 |
| Social contributions | 1 981 177 | 2 199 102 | 2 372 233 | 2 597 253 | 2 600 755 | 2 613 987 | 2 634 984 | 2 733 166 | 2 903 722 |
| Goods and services | 7 256 326 | 7 860 500 | 8 213 347 | 8 436 140 | 8 569 946 | 8 435 393 | 9 642 094 | 10 195 970 | 10 955 419 |
| Administrative fees | 28 | 32 | 30 | 32 | 32 | 24 | 30 | 32 | 34 |
| Advertising | 11 982 | 12 940 | 13 790 | 25 561 | 25 561 | 14 358 | 25 554 | 25 309 | 25 855 |
| Assets less than the capitalisation threshold | 69 826 | 68 901 | 48 440 | 100 132 | 98 119 | 42 136 | 50 244 | 61 401 | 61 723 |
| Audit cost: External | 9 257 | 9 315 | 15 924 | 13 000 | 13 000 | 13 043 | 10 000 | 11 590 | 12 170 |
| Bursaries: Employees | 1 877 | 151 | 734 | 2 350 | 2 350 | 4 269 | 2 500 | 2 633 | 2 765 |
| Catering: Departmental activities | 4 929 | 2 314 | 2 087 | 8 111 | 8 111 | 4 050 | 2 095 | 2 023 | 2 107 |
| Communication (G&S) | 83 607 | 90 818 | 93 271 | 112 863 | 112 867 | 98 439 | 99 521 | 106 596 | 110 794 |
| Computer services | 164 578 | 152 690 | 197 733 | 133 765 | 134 765 | 126 547 | 175 329 | 196 058 | 253 967 |
| Cons & prof serv: Business and advisory services | 43 016 | 53 502 | 74 476 | 25 600 | 34 197 | 37 150 | 40 307 | 34 387 | 36 108 |
| Cons & prof serv: Infras and planning | 4 912 | 72 | 139 | - | 731 | 832 | 7 262 | 2 375 | - |
| Cons & prof serv: Laboratory services | 566 011 | 539 752 | 587 579 | 706 562 | 706 562 | 624 287 | 937 900 | 1 081 908 | 1 157 756 |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 5 037 | 7 321 | 8 907 | 3 891 | 3 891 | 8 292 | 13 783 | 2 211 | 2 322 |
| Contractors | 240 942 | 175 450 | 149 831 | 111 633 | 177 056 | 142 117 | 188 367 | 162 742 | 189 458 |
| Agency and support / outsourced services | 943 067 | 929 848 | 946 858 | 833 839 | 841 724 | 981 709 | 1 053 160 | 1 051 738 | 1 160 316 |
| Entertainment | 64 | 33 | 6 | 520 | 520 | 3 | 4 | 6 | 6 |
| Fleet services (incl. govt motor transport) | 126 560 | 205 900 | 151 338 | 260 374 | 260 374 | 268 844 | 288 501 | 301 245 | 315 879 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 2 009 | 1 902 | 1 902 | 12 621 | 17 296 | 17 954 | 18 853 |
| Inventory: Farming supplies | - | - | 2 | - | - | 3 | - | - | - |
| Inventory: Food and food supplies | 126 371 | 101 721 | 116 213 | 194 796 | 194 796 | 126 361 | 131 976 | 138 292 | 145 093 |
| Inventory: Fuel, oil and gas | 171 536 | 200 656 | 263 346 | 158 444 | 158 497 | 128 434 | 134 700 | 142 025 | 148 731 |
| Inventory: Learner and teacher support material | 2 | - | - | 1 010 | 1 010 | 527 | 900 | 1 180 | 1 239 |
| Inventory: Materials and supplies | 6 269 | 27 361 | 10 007 | 7 | 863 | 8 659 | 15 823 | 17 436 | 14 694 |
| Inventory: Medical supplies | 1 203 372 | 1 283 784 | 1 339 263 | 1 332 450 | 1 325 018 | 1 389 465 | 1 540 201 | 1 563 447 | 1 671 137 |
| Inventory: Medicine | 1 864 528 | 2 317 378 | 2 520 816 | 2 731 810 | 2 724 988 | 2 563 209 | 2 999 606 | 3 335 335 | 3 572 102 |
| Medsas inventory interface | - | - | - | - | - | 3 | - | - | - |
| Inventory: Other supplies | - | - | 1 | 1 500 | 1 500 | 869 | 226 | 239 | 251 |
| Consumable supplies | 208 012 | 214 645 | 255 640 | 199 929 | 225 815 | 251 030 | 242 953 | 242 428 | 247 914 |
| Consumable: Stationery, printing and office supplies | 51 454 | 52 930 | 45 413 | 54 781 | 55 181 | 62 675 | 52 524 | 57 787 | 60 402 |
| Operating leases | 43 352 | 109 010 | 98 849 | 116 150 | 116 150 | 129 973 | 159 431 | 126 469 | 142 517 |
| Property payments | 1 054 893 | 1 085 911 | 1 081 879 | 1 087 027 | 1 126 228 | 1 172 776 | 1 239 362 | 1 298 710 | 1 328 853 |
| Transport provided: Departmental activity | 35 272 | 21 840 | 58 556 | 57 971 | 57 971 | 73 035 | 76 115 | 77 176 | 81 022 |
| Travel and subsistence | 54 336 | 75 510 | 65 388 | 71 374 | 71 374 | 81 970 | 83 863 | 87 883 | 91 885 |
| Training and development | 29 605 | 45 043 | 28 420 | 42 108 | 42 108 | 16 939 | 30 640 | 27 423 | 78 676 |
| Operating payments | 60 113 | 73 729 | 33 995 | 44 143 | 44 143 | 46 297 | 18 811 | 16 663 | 17 393 |
| Venues and facilities | 5 544 | 1 944 | 2 018 | 2 505 | 2 505 | 4 213 | 3 110 | 3 269 | 3 397 |
| Rental and hiring | 65 974 | - | 390 | - | 37 | 234 | - | - | - |
| Interest and rent on land | 20 | - | 169 | - | - | 621 | - | - | - |
| Interest | 20 | - | 169 | - | - | 621 | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 515 845 | 486 764 | 740 159 | 692 479 | 694 193 | 860 320 | 648 156 | 681 322 | 711 308 |
| Provinces and municipalities | 88 878 | 26 330 | 79 199 | 137 663 | 157 672 | 185 808 | 111 290 | 117 762 | 122 050 |
| Provinces | 2 838 | 3 437 | 4 463 | 5 063 | 5 063 | 5 693 | 6 290 | 6 714 | 7 050 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 2 838 | 3 437 | 4 463 | 5 063 | 5 063 | 5 693 | 6 290 | 6 714 | 7 050 |
| Municipalities | 86 040 | 22 893 | 74 736 | 132 600 | 152 609 | 180 115 | 105 000 | 111 048 | 115 000 |
| Municipalities | 86 040 | 22 893 | 74 736 | 132 600 | 152 609 | 180 115 | 105 000 | 111 048 | 115 000 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 23 249 | 25 351 | 11 370 | 13 069 | 13 069 | 15 927 | 16 171 | 17 025 | 17 876 |
| Social security funds | 512 | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 22 737 | 25 351 | 11 370 | 13 069 | 13 069 | 15 927 | 16 171 | 17 025 | 17 876 |
| Higher education institutions | - | 57 | 501 | - | - | 16 | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | 66 | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 273 487 | 277 586 | 256 751 | 250 647 | 230 638 | 225 153 | 215 100 | 227 412 | 235 953 |
| Households | 130 231 | 157 440 | 392 339 | 291 100 | 292 814 | 433 350 | 305 595 | 319 123 | 335 429 |
| Social benefits | 59 126 | 67 441 | 100 183 | 84 308 | 86 022 | 109 749 | 92 645 | 94 898 | 99 493 |
| Other transfers to households | 71 105 | 89 999 | 292 156 | 206 792 | 206 792 | 323 601 | 212 950 | 224 225 | 235 936 |
| Payments for capital assets | 1 900 011 | 2 156 923 | 1 867 332 | 1 597 175 | 1 644 294 | 1 513 101 | 1 445 448 | 1 373 593 | 1 506 456 |
| Buildings and other fixed structures | 1 048 172 | 1 662 936 | 1 530 972 | 1 249 773 | 1 269 855 | 1 219 675 | 1 143 659 | 1 014 780 | 1 130 675 |
| Buildings | 1 048 172 | 1 662 936 | 1 530 972 | 1 249 773 | 1 269 855 | 1 219 675 | 1 143 659 | 1 014 780 | 1 130 675 |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 825 384 | 493 987 | 336 179 | 347 402 | 374 439 | 293 426 | 301 789 | 358 813 | 375 781 |
| Transport equipment | 227 852 | 112 017 | 95 348 | 109 498 | 109 498 | 89 402 | 134 000 | 119 796 | 125 784 |
| Other machinery and equipment | 597 532 | 381 970 | 240 831 | 237 904 | 264 941 | 204 024 | 167 789 | 239 017 | 249 997 |
| Heritage Assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | 26 455 | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | 181 | - | - | - | - | - | - |
| Payments for financial assets | 609 | 1 | 33 629 | - | - | 406 | 107 607 | 107 607 | 107 607 |
| Total | 24 791 118 | 27 390 533 | 29 531 410 | 30 914 196 | 31 119 465 | 30 919 465 | 32 981 786 | 34 741 665 | 36 873 548 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (107 607) | (107 607) | (107 608) |
| Baseline available for spending after 1st charge | 24 791 118 | 27 390 533 | 29 531 410 | 30 914 196 | 31 119 465 | 30 919 465 | 32 874 179 | 34 634 058 | 36 765 940 |

Table 7.C : Payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 463 100 | 531 385 | 610 665 | 571 829 | 570 060 | 549 130 | 615 311 | 653 405 | 694 653 |
| Compensation of employees | 208 965 | 246 972 | 273 361 | 307 734 | 307 734 | 295 591 | 326 673 | 345 804 | 371 672 |
| Salaries and wages | 181 356 | 214 728 | 237 846 | 267 622 | 267 622 | 257 164 | 285 945 | 303 027 | 325 641 |
| Social contributions | 27 609 | 32 244 | 35 515 | 40 112 | 40 112 | 38 427 | 40 728 | 42 777 | 46 031 |
| Goods and services | 254 115 | 284 413 | 337 290 | 264 095 | 262 326 | 253 501 | 288 638 | 307 601 | 322 981 |
| Administrative fees | 1 | 3 | 2 | 1 | 1 | - | - | - | - |
| Advertising | 1 084 | 2 235 | 7 796 | 3 024 | 3 024 | 3 320 | 4 020 | 4 231 | 4 443 |
| Assets less than the capitalisation threshold | 204 | 2 239 | 1 082 | 2 520 | 2 520 | 1 160 | 240 | 260 | 273 |
| Audit cost: External | 1 | - | 15 924 | 13 000 | 13 000 | 13 036 | 10 000 | 10 540 | 11 067 |
| Bursaries: Employees | - | 24 | 12 | 100 | 100 | (3) | - | 1 | 1 |
| Catering: Departmental activities | 222 | 756 | 635 | 900 | 900 | 396 | 600 | 634 | 665 |
| Communication (G&S) | 3 210 | 7 143 | 4 009 | 13 820 | 13 820 | 10 786 | 13 399 | 14 037 | 14 739 |
| Computer services | 144 531 | 140 220 | 176 019 | 122 490 | 122 490 | 119 646 | 145 329 | 158 204 | 166 113 |
| Cons & prof serv: Business and advisory services | 34 500 | 40 204 | 50 623 | 21 000 | 21 000 | 23 069 | 30 035 | 31 093 | 32 648 |
| Cons & prof serv: Infrass and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | 20 | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 274 | 1 108 | 1 195 | 240 | 240 | 452 | 2 000 | 2 200 | 2 310 |
| Contractors | 341 | 185 | 2 778 | 30 | 30 | 1 513 | 992 | 1 042 | 1 094 |
| Agency and support / outsourced services | 4 069 | 4 577 | 6 027 | 6 100 | 6 100 | 7 676 | 9 600 | 9 793 | 10 283 |
| Entertainment | 11 | 6 | 6 | 110 | 110 | 3 | 4 | 6 | 6 |
| Fleet services (incl. govt motor transport) | 1 535 | 2 706 | 4 233 | 4 560 | 4 560 | 4 956 | 4 500 | 4 739 | 4 976 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | 100 | 105 | 110 |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 101 | 48 | 2 569 | 80 | 80 | 25 | 74 | 77 | 81 |
| Inventory: Fuel, oil and gas | 1 368 | 1 228 | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 59 | 26 | 2 | - | - | 18 | 25 | 26 | 27 |
| Inventory: Medical supplies | 237 | - | 170 | - | - | (1 315) | 50 | 53 | 56 |
| Inventory: Medicine | - | - | - | - | - | 707 | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 327 | 2 815 | 4 366 | 450 | 450 | (2 651) | 630 | 663 | 697 |
| Consumable: Stationery, printing and office supplies | 4 364 | 3 894 | 2 665 | 4 400 | 4 400 | 7 187 | 4 800 | 5 054 | 5 307 |
| Operating leases | 6 392 | 5 471 | 3 879 | 4 570 | 4 570 | 4 734 | 5 580 | 5 348 | 5 615 |
| Property payments | 25 049 | 33 139 | 30 139 | 42 200 | 40 431 | 27 905 | 31 260 | 32 955 | 34 603 |
| Transport provided: Departmental activity | - | - | 18 | - | - | - | - | - | - |
| Travel and subsistence | 16 312 | 22 714 | 18 829 | 22 100 | 22 100 | 19 143 | 16 000 | 16 871 | 17 714 |
| Training and development | 755 | 2 332 | 3 020 | 1 000 | 1 000 | 2 829 | 2 400 | 2 314 | 2 430 |
| Operating payments | 8 972 | 10 766 | 350 | 500 | 500 | 6 427 | 5 000 | 5 252 | 5 515 |
| Venues and facilities | 196 | 574 | 943 | 900 | 900 | 2 462 | 2 000 | 2 103 | 2 208 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | 20 | - | 15 | - | - | 38 | - | - | - |
| Interest | 20 | - | 15 | - | - | 38 | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 4 362 | 7 977 | 3 201 | 3 061 | 4 630 | 6 565 | 6 101 | 6 519 | 6 845 |
| Provinces and municipalities | 996 | 1 900 | 1 952 | 60 | 1 629 | 3 035 | 3 100 | 3 359 | 3 527 |
| Provinces | 996 | 1 900 | 1 952 | 60 | 1 629 | 3 035 | 3 100 | 3 359 | 3 527 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 996 | 1 900 | 1 952 | 60 | 1 629 | 3 035 | 3 100 | 3 359 | 3 527 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 1 | - | - | 1 | 1 | 1 | 1 | 1 | 1 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 1 | - | - | 1 | 1 | 1 | 1 | 1 | 1 |
| Higher education institutions | - | - | 3 | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | 66 | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 3 365 | 6 077 | 1 246 | 3 000 | 3 000 | 3 463 | 3 000 | 3 159 | 3 317 |
| Social benefits | 3 215 | 2 289 | 1 236 | 3 000 | 3 000 | 3 463 | 3 000 | 3 159 | 3 317 |
| Other transfers to households | 150 | 3 788 | 10 | - | - | - | - | - | - |
| Payments for capital assets | 109 386 | 96 400 | 41 594 | 6 450 | 6 450 | 25 438 | 8 100 | 8 612 | 9 043 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 109 386 | 96 400 | 41 413 | 6 450 | 6 450 | 25 438 | 8 100 | 8 612 | 9 043 |
| Transport equipment | 12 643 | 7 468 | 8 873 | 1 450 | 1 450 | 11 612 | 3 000 | 3 170 | 3 329 |
| Other machinery and equipment | 96 743 | 88 932 | 32 540 | 5 000 | 5 000 | 13 826 | 5 100 | 5 442 | 5 714 |
| Heritage Assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | 181 | - | - | - | - | - | - |
| Payments for financial assets | 547 | 1 | 33 629 | - | - | 7 | 107 607 | 107 607 | 107 607 |
| Total | 577 395 | 635 763 | 689 089 | 581 340 | 581 140 | 581 140 | 737 119 | 776 143 | 818 148 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (107 607) | (107 607) | (107 608) |
| Baseline available for spending after 1st charge | 577 395 | 635 763 | 689 089 | 581 340 | 581 140 | 581 140 | 629 512 | 668 536 | 710 540 |

Table 7.D : Payments and estimates by economic classification: District Health Services

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|-------------------|-------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 9 647 354 | 11 151 083 | 12 510 682 | 14 210 678 | 14 210 378 | 13 976 385 | 15 106 704 | 16 124 560 | 17 266 722 |
| Compensation of employees | 6 710 880 | 7 690 784 | 8 714 714 | 9 832 214 | 9 837 336 | 9 779 724 | 10 184 010 | 10 727 085 | 11 324 131 |
| Salaries and wages | 5 818 744 | 6 664 600 | 7 572 469 | 8 497 998 | 8 503 120 | 8 508 624 | 8 891 351 | 9 375 125 | 9 869 712 |
| Social contributions | 892 136 | 1 026 184 | 1 142 245 | 1 334 216 | 1 334 216 | 1 271 100 | 1 292 659 | 1 351 960 | 1 454 419 |
| Goods and services | 2 936 474 | 3 460 300 | 3 795 947 | 4 378 464 | 4 373 042 | 4 196 551 | 4 922 694 | 5 397 475 | 5 942 591 |
| Administrative fees | 20 | 29 | 24 | 30 | 30 | 24 | 30 | 32 | 34 |
| Advertising | 9 104 | 8 586 | 3 017 | 20 113 | 20 113 | 7 676 | 18 053 | 17 603 | 17 762 |
| Assets less than the capitalisation threshold | 22 814 | 25 992 | 14 295 | 45 304 | 45 304 | 25 948 | 30 263 | 38 787 | 40 598 |
| Audit cost: External | 4 438 | 4 413 | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | 6 | - | - | - | - | - | - |
| Catering: Departmental activities | 4 269 | 1 199 | 1 212 | 6 661 | 6 661 | 3 336 | 1 270 | 1 163 | 1 203 |
| Communication (G&S) | 44 069 | 45 643 | 53 192 | 61 750 | 61 750 | 52 346 | 49 937 | 55 865 | 57 524 |
| Computer services | 108 | 8 | 8 141 | 11 275 | 12 275 | 6 692 | 30 000 | 37 854 | 87 854 |
| Cons & prof serv: Business and advisory services | 186 | 2 878 | 13 925 | 4 000 | 4 000 | 4 867 | 3 250 | 3 282 | 3 447 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | 20 | - | - | - |
| Cons & prof serv: Laboratory services | 406 987 | 364 539 | 421 965 | 518 562 | 518 562 | 533 632 | 738 900 | 853 442 | 918 024 |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 844 | 998 | 2 313 | 1 220 | 1 220 | 1 995 | 3 050 | 4 | 4 |
| Contractors | 28 175 | 19 531 | 19 024 | 36 699 | 36 699 | 23 283 | 43 566 | 34 990 | 86 209 |
| Agency and support / outsourced services | 82 688 | 90 454 | 98 536 | 46 772 | 46 772 | 110 071 | 110 440 | 113 789 | 118 778 |
| Entertainment | 51 | 14 | - | 410 | 410 | - | - | - | - |
| Fleet services (incl. govt motor transport) | 70 027 | 77 000 | 88 524 | 88 093 | 88 093 | 99 953 | 88 784 | 91 507 | 95 656 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 1 987 | 1 800 | 1 800 | 3 209 | 2 546 | 2 918 | 3 064 |
| Inventory: Farming supplies | - | - | 10 | - | - | 4 | - | - | - |
| Inventory: Food and food supplies | 90 236 | 63 800 | 67 878 | 121 048 | 121 048 | 75 531 | 77 500 | 82 808 | 86 949 |
| Inventory: Fuel, oil and gas | 48 840 | 62 301 | 54 800 | 48 986 | 48 986 | 38 481 | 40 829 | 45 659 | 47 918 |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 548 | 6 501 | 1 210 | - | - | 3 559 | 2 929 | 1 499 | 1 574 |
| Inventory: Medical supplies | 346 946 | 345 827 | 356 334 | 490 458 | 490 458 | 454 692 | 514 012 | 540 343 | 607 430 |
| Inventory: Medicine | 1 270 068 | 1 729 191 | 1 896 528 | 2 103 737 | 2 096 915 | 1 965 549 | 2 326 057 | 2 624 094 | 2 828 504 |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | 296 | 1 500 | 1 500 | 346 | 226 | 239 | 251 |
| Consumable supplies | 81 042 | 95 014 | 119 761 | 80 100 | 80 100 | 109 491 | 101 373 | 102 718 | 107 691 |
| Consumable: Stationery, printing and office supplies | 24 030 | 26 864 | 23 235 | 32 167 | 32 567 | 32 316 | 28 280 | 32 650 | 34 009 |
| Operating leases | 17 626 | 19 371 | 19 679 | 24 286 | 24 286 | 36 770 | 72 885 | 53 431 | 54 043 |
| Property payments | 346 317 | 415 927 | 491 428 | 570 945 | 570 945 | 564 395 | 596 226 | 623 742 | 653 674 |
| Transport provided: Departmental activity | 818 | 895 | 938 | 3 970 | 3 970 | 956 | 1 115 | 1 407 | 1 465 |
| Travel and subsistence | 17 701 | 22 810 | 21 497 | 23 485 | 23 485 | 25 864 | 23 028 | 26 517 | 27 462 |
| Training and development | 3 300 | 15 621 | 3 426 | 16 708 | 16 708 | 2 799 | 6 710 | 2 340 | 52 340 |
| Operating payments | 10 329 | 14 227 | 11 614 | 17 185 | 17 185 | 11 445 | 10 765 | 8 089 | 8 421 |
| Venues and facilities | 4 893 | 667 | 761 | 1 200 | 1 200 | 1 149 | 670 | 703 | 703 |
| Rental and hiring | - | - | 390 | - | - | 152 | - | - | - |
| Interest and rent on land | - | - | 22 | - | - | 110 | - | - | - |
| Interest | - | - | 22 | - | - | 110 | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 326 249 | 268 218 | 333 524 | 391 617 | 394 240 | 451 459 | 332 658 | 349 025 | 361 893 |
| Provinces and municipalities | 86 040 | 22 893 | 74 736 | 134 838 | 153 806 | 180 647 | 105 000 | 111 048 | 115 000 |
| Provinces | - | - | - | 2 238 | 1 197 | 532 | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | 2 238 | 1 197 | 532 | - | - | - |
| Municipalities | 86 040 | 22 893 | 74 736 | 132 600 | 152 609 | 180 115 | 105 000 | 111 048 | 115 000 |
| Municipalities | 86 040 | 22 893 | 74 736 | 132 600 | 152 609 | 180 115 | 105 000 | 111 048 | 115 000 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 130 | 6 | 21 | 32 | 32 | 41 | 38 | 41 | 43 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 130 | 6 | 21 | 32 | 32 | 41 | 38 | 41 | 43 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 213 387 | 204 686 | 207 922 | 220 147 | 202 102 | 194 288 | 182 000 | 192 558 | 199 356 |
| Households | 26 692 | 40 633 | 50 846 | 36 600 | 38 300 | 76 483 | 45 620 | 45 378 | 47 494 |
| Social benefits | 26 479 | 29 841 | 47 441 | 36 600 | 38 300 | 55 209 | 45 620 | 45 378 | 47 494 |
| Other transfers to households | 213 | 10 792 | 3 405 | - | - | 21 274 | - | - | - |
| Payments for capital assets | 151 005 | 97 134 | 103 393 | 117 740 | 122 188 | 98 941 | 139 500 | 146 694 | 153 560 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 151 005 | 97 134 | 103 393 | 117 740 | 122 188 | 98 941 | 139 500 | 146 694 | 153 560 |
| Transport equipment | 43 220 | 65 190 | 58 239 | 50 640 | 50 640 | 44 685 | 64 000 | 65 260 | 68 523 |
| Other machinery and equipment | 107 785 | 31 944 | 45 154 | 67 100 | 71 548 | 54 256 | 75 500 | 81 434 | 85 037 |
| Heritage Assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 43 | - | - | - | - | 20 | - | - | - |
| Total | 10 124 651 | 11 516 435 | 12 947 599 | 14 720 035 | 14 726 806 | 14 526 805 | 15 578 862 | 16 620 279 | 17 782 175 |

Table 7.E : Payments and estimates by economic classification: Emergency Medical Services

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|------------------|----------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 856 411 | 870 638 | 975 416 | 1 026 957 | 1 026 957 | 1 042 907 | 1 095 120 | 1 143 906 | 1 201 100 |
| Compensation of employees | 595 253 | 641 810 | 715 735 | 751 280 | 751 280 | 770 618 | 789 187 | 826 698 | 868 032 |
| Salaries and wages | 503 369 | 540 298 | 608 066 | 635 481 | 635 481 | 670 438 | 673 195 | 704 369 | 739 586 |
| Social contributions | 91 884 | 101 512 | 107 669 | 115 799 | 115 799 | 100 180 | 115 992 | 122 329 | 128 446 |
| Goods and services | 261 158 | 228 827 | 259 679 | 275 677 | 275 677 | 272 275 | 305 933 | 317 208 | 333 068 |
| Administrative fees | - | - | 3 | - | - | - | - | - | - |
| Advertising | 87 | 391 | 171 | 100 | 100 | 18 | 100 | 106 | 111 |
| Assets less than the capitalisation threshold | 434 | 1 231 | 192 | 3 000 | 3 000 | 443 | 900 | 955 | 1 003 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | 70 | 4 | 100 | 100 | 65 | - | 1 | 1 |
| Communication (G&S) | 9 574 | 10 766 | 8 250 | 9 058 | 9 058 | 8 067 | 8 399 | 8 847 | 9 289 |
| Computer services | - | - | 2 233 | - | - | 45 | - | - | - |
| Cons & prof serv: Business and advisory services | - | - | 3 | - | - | 11 | - | - | - |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 1 155 | 49 | 140 | 200 | 200 | 220 | - | - | - |
| Contractors | 84 568 | 7 198 | 925 | 5 767 | 5 767 | 864 | 350 | 385 | 405 |
| Agency and support / outsourced services | 497 | 585 | 542 | 700 | 700 | 497 | 500 | 527 | 553 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | 59 091 | 36 055 | 152 884 | 152 884 | 141 366 | 173 000 | 180 391 | 189 409 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | 7 134 | 11 000 | 11 000 | 11 550 |
| Inventory: Farming supplies | - | - | - | - | - | (1) | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 75 955 | 83 678 | 115 351 | 5 000 | 5 000 | 5 605 | - | 16 | 17 |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 89 | 17 | 23 | - | - | 73 | - | - | - |
| Inventory: Medical supplies | 10 843 | 7 281 | 6 709 | 8 808 | 8 808 | 11 088 | 10 724 | 11 438 | 12 010 |
| Inventory: Medicine | 608 | 319 | 277 | 600 | 600 | 347 | 500 | 527 | 553 |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 18 375 | 5 537 | 10 986 | 9 215 | 9 215 | 856 | 1 500 | 2 005 | 2 105 |
| Consumable: Stationery, printing and office supplies | 1 063 | 1 516 | 280 | 1 596 | 1 596 | 1 552 | 500 | 530 | 557 |
| Operating leases | 4 469 | 2 591 | 2 270 | 2 520 | 2 520 | 1 432 | 1 917 | 2 020 | 2 121 |
| Property payments | 13 497 | 14 034 | 14 073 | 16 624 | 16 624 | 16 671 | 17 293 | 18 211 | 19 122 |
| Transport provided: Departmental activity | 34 302 | 20 924 | 57 591 | 54 000 | 54 000 | 72 072 | 75 000 | 75 769 | 79 557 |
| Travel and subsistence | 4 936 | 4 991 | 3 536 | 5 100 | 5 100 | 3 740 | 4 050 | 4 269 | 4 483 |
| Training and development | 73 | 10 | 14 | - | - | - | - | - | - |
| Operating payments | 633 | 8 485 | 51 | 400 | 400 | 110 | 200 | 211 | 222 |
| Venues and facilities | - | 63 | - | 5 | 5 | - | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | 2 | - | - | 14 | - | - | - |
| Interest | - | - | 2 | - | - | 14 | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 3 230 | 4 165 | 3 946 | 4 340 | 4 340 | 3 909 | 4 891 | 5 148 | 5 406 |
| Provinces and municipalities | 1 842 | 1 537 | 2 511 | 2 040 | 2 040 | 1 949 | 3 190 | 3 355 | 3 523 |
| Provinces | 1 842 | 1 537 | 2 511 | 2 040 | 2 040 | 1 949 | 3 190 | 3 355 | 3 523 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 1 842 | 1 537 | 2 511 | 2 040 | 2 040 | 1 949 | 3 190 | 3 355 | 3 523 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | 1 | 1 | 2 | 2 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | 1 | 1 | 2 | 2 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 1 388 | 2 628 | 1 435 | 2 300 | 2 300 | 1 959 | 1 700 | 1 791 | 1 881 |
| Social benefits | 915 | 970 | 862 | 1 368 | 1 368 | 1 279 | 750 | 791 | 831 |
| Other transfers to households | 473 | 1 658 | 573 | 932 | 932 | 680 | 950 | 1 000 | 1 050 |
| Payments for capital assets | 210 745 | 51 234 | 30 578 | 42 141 | 42 141 | 26 252 | 60 300 | 47 422 | 49 793 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 210 745 | 51 234 | 30 578 | 42 141 | 42 141 | 26 252 | 60 300 | 47 422 | 49 793 |
| Transport equipment | 167 972 | 31 132 | 21 502 | 36 841 | 36 841 | 20 952 | 55 000 | 41 850 | 43 942 |
| Other machinery and equipment | 42 773 | 20 102 | 9 076 | 5 300 | 5 300 | 5 300 | 5 300 | 5 572 | 5 851 |
| Heritage Assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 1 | - | - | - | - | 370 | - | - | - |
| Total | 1 070 387 | 926 036 | 1 009 940 | 1 073 438 | 1 073 438 | 1 073 438 | 1 160 311 | 1 196 476 | 1 256 299 |

Table 7.F : Payments and estimates by economic classification: Provincial Hospital Services

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 6 772 925 | 7 486 935 | 7 969 342 | 8 634 529 | 8 634 529 | 8 613 784 | 8 644 111 | 9 180 340 | 9 633 133 |
| Compensation of employees | 5 100 164 | 5 654 254 | 6 146 682 | 6 814 383 | 6 814 383 | 6 745 935 | 6 735 829 | 7 195 285 | 7 548 324 |
| Salaries and wages | 4 435 239 | 4 923 790 | 5 376 242 | 5 976 876 | 5 976 876 | 5 868 964 | 5 869 564 | 6 385 452 | 6 698 000 |
| Social contributions | 664 925 | 730 464 | 770 440 | 837 507 | 837 507 | 876 971 | 866 265 | 809 833 | 850 324 |
| Goods and services | 1 672 761 | 1 832 681 | 1 822 532 | 1 820 146 | 1 820 146 | 1 867 715 | 1 908 282 | 1 985 055 | 2 084 809 |
| Administrative fees | 7 | - | 1 | 1 | 1 | - | - | - | - |
| Advertising | 1 063 | 1 301 | 1 855 | 2 081 | 2 081 | 2 813 | 2 691 | 2 780 | 2 920 |
| Assets less than the capitalisation threshold | 14 241 | 28 996 | 28 696 | 24 115 | 24 115 | 6 277 | 9 520 | 10 177 | 10 686 |
| Audit cost: External | 4 818 | 4 901 | - | - | - | 7 | - | - | - |
| Bursaries: Employees | - | - | 30 | - | - | - | - | - | - |
| Catering: Departmental activities | 50 | 59 | 72 | 220 | 220 | 51 | 82 | 95 | 101 |
| Communication (G&S) | 20 339 | 20 922 | 20 896 | 21 287 | 21 287 | 22 366 | 21 415 | 21 144 | 22 203 |
| Computer services | 108 | 805 | 2 963 | - | - | 119 | - | - | - |
| Cons & prof serv: Business and advisory services | 3 | 22 | 2 467 | - | - | 40 | 7 012 | - | - |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | 159 024 | 141 716 | 132 117 | 150 000 | 150 000 | 90 635 | 154 000 | 172 690 | 181 325 |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 2 415 | 3 994 | 4 319 | 1 581 | 1 581 | 4 840 | 8 050 | 5 | 5 |
| Contractors | 85 666 | 63 236 | 28 367 | 26 423 | 26 423 | 11 767 | 12 820 | 7 351 | 7 718 |
| Agency and support / outsourced services | 120 095 | 127 640 | 132 417 | 37 257 | 37 257 | 144 113 | 146 162 | 154 011 | 161 712 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | 54 998 | 67 031 | 13 486 | 13 950 | 13 950 | 16 143 | 16 006 | 18 233 | 19 145 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | 1 626 | 2 700 | 3 255 | 3 418 |
| Inventory: Farming supplies | - | - | (9) | - | - | - | - | - | - |
| Inventory: Food and food supplies | 31 519 | 30 895 | 37 800 | 65 596 | 65 596 | 45 710 | 46 900 | 47 518 | 49 895 |
| Inventory: Fuel, oil and gas | 6 063 | 8 049 | 54 390 | 68 104 | 68 104 | 55 284 | 52 950 | 56 836 | 59 678 |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 106 | 332 | 7 583 | - | - | 1 996 | 1 870 | 2 418 | 2 539 |
| Inventory: Medical supplies | 424 260 | 512 510 | 508 460 | 485 300 | 485 300 | 515 462 | 501 882 | 523 706 | 550 392 |
| Inventory: Medicine | 361 634 | 393 649 | 413 615 | 456 370 | 456 370 | 454 189 | 448 509 | 466 939 | 490 285 |
| Medsas inventory interface | - | - | (6) | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | (300) | - | - | - | - | - | - |
| Consumable supplies | 77 294 | 78 038 | 64 227 | 77 480 | 77 480 | 83 397 | 79 002 | 78 224 | 82 134 |
| Consumable: Stationery, printing and office supplies | 16 108 | 16 123 | 16 071 | 13 607 | 13 607 | 17 870 | 15 728 | 16 085 | 16 888 |
| Operating leases | 10 612 | 10 734 | 9 361 | 11 904 | 11 904 | 9 790 | 10 815 | 11 289 | 11 853 |
| Property payments | 250 468 | 279 837 | 318 900 | 336 000 | 336 000 | 370 482 | 362 563 | 385 672 | 404 955 |
| Transport provided: Departmental activity | 29 | 21 | 9 | - | - | 7 | - | - | - |
| Travel and subsistence | 5 685 | 5 145 | 4 840 | 7 460 | 7 460 | 5 399 | 7 234 | 6 129 | 6 435 |
| Training and development | 963 | 96 | 405 | - | - | 48 | - | - | - |
| Operating payments | 25 183 | 36 628 | 19 500 | 21 410 | 21 410 | 7 244 | 371 | 498 | 522 |
| Venues and facilities | 10 | - | - | - | - | - | - | - | - |
| Rental and hiring | - | - | - | - | - | 40 | - | - | - |
| Interest and rent on land | - | - | 128 | - | - | 134 | - | - | - |
| Interest | - | - | 128 | - | - | 134 | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 68 019 | 68 886 | 124 336 | 67 085 | 64 651 | 120 228 | 63 607 | 66 995 | 70 346 |
| Provinces and municipalities | - | - | - | 549 | 79 | 80 | - | - | - |
| Provinces | - | - | - | 549 | 79 | 80 | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | 549 | 79 | 80 | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 47 | 56 | 15 | 36 | 36 | 64 | 77 | 82 | 86 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 47 | 56 | 15 | 36 | 36 | 64 | 77 | 82 | 86 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 35 802 | 37 770 | 28 829 | 30 500 | 28 536 | 30 865 | 33 100 | 34 854 | 36 597 |
| Households | 32 170 | 31 060 | 95 492 | 36 000 | 36 000 | 89 219 | 30 430 | 32 059 | 33 663 |
| Social benefits | 21 083 | 26 561 | 35 867 | 36 000 | 36 000 | 43 096 | 30 430 | 32 059 | 33 663 |
| Other transfers to households | 11 087 | 4 499 | 59 625 | - | - | 46 123 | - | - | - |
| Payments for capital assets | 56 861 | 11 554 | 27 518 | 86 661 | 86 661 | 51 824 | 67 920 | 123 187 | 129 344 |
| Buildings and other fixed structures | - | - | 79 | - | - | - | - | - | - |
| Buildings | - | - | 79 | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 56 861 | 11 554 | 27 439 | 86 661 | 86 661 | 51 824 | 67 920 | 123 187 | 129 344 |
| Transport equipment | 3 843 | 5 203 | 5 239 | 11 567 | 11 567 | 9 274 | 5 000 | 5 307 | 5 571 |
| Other machinery and equipment | 53 018 | 6 351 | 22 201 | 75 094 | 75 094 | 42 550 | 62 920 | 117 880 | 123 773 |
| Heritage Assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 15 | - | - | - | - | 5 | - | - | - |
| Total | 6 897 820 | 7 567 375 | 8 121 196 | 8 788 275 | 8 785 841 | 8 785 841 | 8 775 638 | 9 370 522 | 9 832 823 |

Table 7.G : Payments and estimates by economic classification: Central Hospital Services

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 3 225 558 | 3 326 365 | 3 563 853 | 3 053 388 | 3 053 388 | 3 051 474 | 3 962 062 | 4 072 580 | 4 342 155 |
| Compensation of employees | 1 694 541 | 1 805 528 | 1 984 474 | 1 619 167 | 1 619 167 | 1 669 802 | 2 226 728 | 2 340 298 | 2 482 046 |
| Salaries and wages | 1 462 355 | 1 559 993 | 1 722 842 | 1 413 909 | 1 413 909 | 1 452 728 | 1 948 281 | 2 048 338 | 2 177 566 |
| Social contributions | 232 186 | 245 535 | 261 632 | 205 258 | 205 258 | 217 074 | 278 447 | 291 960 | 304 480 |
| Goods and services | 1 531 017 | 1 520 837 | 1 579 379 | 1 434 221 | 1 434 221 | 1 381 347 | 1 735 334 | 1 732 282 | 1 860 109 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | 448 | 272 | 853 | 208 | 208 | 386 | 600 | 526 | 552 |
| Assets less than the capitalisation threshold | 2 796 | 6 145 | 199 | 1 800 | 1 800 | 1 228 | 1 500 | 110 | - |
| Audit cost: External | - | 1 | - | - | - | - | - | 1 050 | 1 103 |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | - | - | - | - | 9 | 13 | 14 | 15 |
| Communication (G&S) | 4 662 | 4 743 | 5 449 | 4 700 | 4 700 | 3 348 | 4 733 | 4 977 | 5 227 |
| Computer services | 422 | 5 534 | 3 509 | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | - | 340 | - | - | - | - | - | - | - |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | 33 497 | 33 497 | 38 000 | 38 000 | - | 42 000 | 52 626 | 55 257 |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 272 | 1 152 | 758 | 650 | 650 | 777 | 683 | 2 | 3 |
| Contractors | 18 211 | 15 925 | 18 538 | 17 000 | 17 000 | 8 728 | 9 200 | 9 713 | 9 810 |
| Agency and support / outsourced services | 718 878 | 706 589 | 709 331 | 743 000 | 743 000 | 719 032 | 780 485 | 773 607 | 868 978 |
| Entertainment | 2 | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | 907 | - | - | 593 | 856 | 689 | 723 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | 473 | 400 | 210 | 221 |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 4 514 | 6 977 | 7 966 | 8 072 | 8 072 | 5 095 | 7 502 | 7 889 | 8 168 |
| Inventory: Fuel, oil and gas | 31 238 | 34 189 | 35 056 | 27 000 | 27 000 | 24 890 | 36 744 | 35 099 | 36 611 |
| Inventory: Learner and teacher support material | 2 | - | - | - | - | - | - | 22 | 23 |
| Inventory: Materials and supplies | 131 | 114 | 453 | - | - | 56 | 493 | 210 | 221 |
| Inventory: Medical supplies | 409 387 | 410 139 | 452 542 | 334 885 | 334 885 | 402 514 | 502 533 | 476 216 | 488 974 |
| Inventory: Medicine | 232 218 | 194 216 | 210 390 | 171 103 | 171 103 | 142 417 | 224 540 | 243 775 | 252 760 |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | 5 | - | - | 523 | - | - | - |
| Consumable supplies | 23 415 | 26 552 | 19 132 | 21 302 | 21 302 | 18 455 | 28 421 | 26 205 | 27 226 |
| Consumable: Stationery, printing and office supplies | 4 479 | 3 409 | 1 725 | 2 400 | 2 400 | 2 646 | 1 943 | 2 048 | 2 150 |
| Operating leases | 2 426 | 1 016 | 818 | 918 | 918 | 440 | 550 | 1 001 | 1 022 |
| Property payments | 75 042 | 66 801 | 75 143 | 59 390 | 59 390 | 47 705 | 89 782 | 94 452 | 99 174 |
| Transport provided: Departmental activity | 3 | - | - | 1 | 1 | - | - | - | - |
| Travel and subsistence | 1 376 | 1 341 | 867 | 1 000 | 1 000 | 966 | 1 071 | 482 | 495 |
| Training and development | 131 | 475 | 537 | 1 900 | 1 900 | 130 | - | 6 | 6 |
| Operating payments | 964 | 1 410 | 1 704 | 892 | 892 | 936 | 1 285 | 1 353 | 1 390 |
| Venues and facilities | - | - | - | - | - | - | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | 325 | - | - | - |
| Interest | - | - | - | - | - | 325 | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 5 384 | 4 920 | 45 259 | 5 004 | 5 004 | 26 022 | 10 324 | 10 856 | 11 399 |
| Provinces and municipalities | - | - | - | 4 | 4 | 8 | - | - | - |
| Provinces | - | - | - | 4 | 4 | 8 | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | 4 | 4 | 8 | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | 52 | - | - | 52 | 54 | 57 | 60 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | 52 | - | - | 52 | 54 | 57 | 60 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 5 384 | 4 920 | 45 207 | 5 000 | 5 000 | 25 962 | 10 270 | 10 799 | 11 339 |
| Social benefits | 5 254 | 4 812 | 11 387 | 4 790 | 4 790 | 3 779 | 10 270 | 10 798 | 11 338 |
| Other transfers to households | 130 | 108 | 33 821 | 210 | 210 | 22 183 | - | 1 | 1 |
| Payments for capital assets | 9 525 | 7 565 | 31 474 | 21 000 | 21 000 | 1 896 | 12 580 | 13 841 | 14 533 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 9 525 | 7 565 | 31 474 | 21 000 | 21 000 | 1 896 | 12 580 | 13 841 | 14 533 |
| Transport equipment | - | 1 073 | 182 | - | - | - | - | - | - |
| Other machinery and equipment | 9 525 | 6 492 | 31 292 | 21 000 | 21 000 | 1 896 | 12 580 | 13 841 | 14 533 |
| Heritage Assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 3 240 467 | 3 338 850 | 3 640 586 | 3 079 392 | 3 079 392 | 3 079 392 | 3 984 966 | 4 097 277 | 4 368 087 |

Table 7.H : Payments and estimates by economic classification: Health Sciences and Training

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 776 485 | 804 266 | 789 339 | 824 702 | 824 702 | 796 332 | 816 250 | 886 916 | 931 263 |
| Compensation of employees | 720 257 | 746 254 | 736 405 | 766 143 | 766 143 | 737 958 | 743 354 | 810 108 | 850 613 |
| Salaries and wages | 663 094 | 698 061 | 696 775 | 720 401 | 720 401 | 642 023 | 720 090 | 714 372 | 750 090 |
| Social contributions | 57 163 | 48 193 | 39 630 | 45 742 | 45 742 | 95 935 | 23 264 | 95 736 | 100 523 |
| Goods and services | 56 228 | 58 012 | 52 931 | 58 559 | 58 559 | 58 374 | 72 896 | 76 808 | 80 650 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | 93 | 81 | 60 | - | - | 105 | 30 | - | - |
| Assets less than the capitalisation threshold | 390 | 924 | 501 | 2 200 | 2 200 | 594 | 650 | 690 | 725 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | 1 877 | 127 | 686 | 2 250 | 2 250 | 4 272 | 2 500 | 2 632 | 2 764 |
| Catering: Departmental activities | 388 | 229 | 164 | 230 | 230 | 193 | 130 | 116 | 122 |
| Communication (G&S) | 1 181 | 1 201 | 1 054 | 1 650 | 1 650 | 1 064 | 1 210 | 1 275 | 1 339 |
| Computer services | - | - | 2 126 | - | - | 45 | - | - | - |
| Cons & prof serv: Business and advisory services | - | (0) | 54 | 600 | 600 | 32 | 10 | 12 | 13 |
| Cons & prof serv: Infras and planning | 3 | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 77 | 15 | 182 | - | - | 8 | - | - | - |
| Contractors | 224 | 58 | 16 | 99 | 99 | 32 | - | 11 | 12 |
| Agency and support / outsourced services | 2 | 3 | 5 | 10 | 10 | - | 10 | 11 | 12 |
| Entertainment | - | 13 | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | 69 | 2 351 | 553 | 553 | 2 326 | 1 780 | 1 808 | 1 898 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | 43 | - | - | - |
| Inventory: Farming supplies | - | - | 1 | - | - | - | - | - | - |
| Inventory: Food and food supplies | 1 | 1 | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 1 943 | 1 905 | 374 | 2 329 | 2 329 | 10 | 200 | 217 | 228 |
| Inventory: Learner and teacher support material | - | - | - | 1 010 | 1 010 | 527 | 800 | 1 053 | 1 106 |
| Inventory: Materials and supplies | 6 | 21 | 48 | - | - | (5) | - | - | - |
| Inventory: Medical supplies | 100 | 43 | 198 | (1) | (1) | 443 | - | - | - |
| Inventory: Medicine | - | - | 6 | - | - | - | - | - | - |
| Medsas inventory interface | - | - | 6 | - | - | 3 | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 1 335 | 1 347 | 1 160 | 1 780 | 1 780 | 1 333 | 1 430 | 1 507 | 1 583 |
| Consumable: Stationery, printing and office supplies | 1 046 | 984 | 1 369 | 432 | 432 | 969 | 1 102 | 1 263 | 1 326 |
| Operating leases | 1 249 | 1 168 | 1 221 | 1 850 | 1 850 | 1 415 | 1 580 | 1 665 | 1 749 |
| Property payments | 4 437 | 4 515 | 4 752 | 4 831 | 4 831 | 5 203 | 6 074 | 6 709 | 7 043 |
| Transport provided: Departmental activity | 120 | - | - | - | - | - | - | - | - |
| Travel and subsistence | 8 297 | 18 048 | 15 471 | 12 136 | 12 136 | 26 601 | 32 410 | 33 542 | 35 219 |
| Training and development | 23 806 | 24 413 | 20 083 | 22 500 | 22 500 | 11 133 | 21 530 | 22 763 | 23 900 |
| Operating payments | 9 368 | 2 206 | 729 | 3 700 | 3 700 | 1 426 | 1 010 | 1 071 | 1 125 |
| Venues and facilities | 279 | 640 | 314 | 400 | 400 | 602 | 440 | 463 | 486 |
| Rental and hiring | 6 | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | 3 | - | - | - | - | - | - |
| Interest | - | - | 3 | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 83 335 | 96 105 | 208 586 | 220 698 | 220 665 | 251 069 | 230 000 | 242 173 | 254 782 |
| Provinces and municipalities | - | - | - | 48 | 15 | 15 | - | - | - |
| Provinces | - | - | - | 48 | 15 | 15 | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | 48 | 15 | 15 | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 8 588 | 10 119 | 11 282 | 13 000 | 13 000 | 15 768 | 16 000 | 16 842 | 17 684 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 8 588 | 10 119 | 11 282 | 13 000 | 13 000 | 15 768 | 16 000 | 16 842 | 17 684 |
| Higher education institutions | - | 57 | 498 | - | - | 16 | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 14 298 | 15 130 | - | - | - | - | - | - | - |
| Households | 60 449 | 70 799 | 196 806 | 207 650 | 207 650 | 235 270 | 214 000 | 225 331 | 237 098 |
| Social benefits | 1 397 | 1 650 | 2 083 | 2 000 | 2 000 | 1 929 | 2 000 | 2 107 | 2 213 |
| Other transfers to households | 59 052 | 69 149 | 194 723 | 205 650 | 205 650 | 233 341 | 212 000 | 223 224 | 234 885 |
| Payments for capital assets | 610 | 1 564 | 1 426 | 6 000 | 6 000 | 3 963 | 9 000 | 6 321 | 6 636 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 610 | 1 564 | 1 426 | 6 000 | 6 000 | 3 963 | 9 000 | 6 321 | 6 636 |
| Transport equipment | 174 | 817 | 1 313 | 2 000 | 2 000 | 1 303 | 5 000 | 2 107 | 2 212 |
| Other machinery and equipment | 436 | 747 | 113 | 4 000 | 4 000 | 2 660 | 4 000 | 4 214 | 4 424 |
| Heritage Assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 1 | - | - | - | - | 4 | - | - | - |
| Total | 860 431 | 901 935 | 999 351 | 1 051 400 | 1 051 367 | 1 051 368 | 1 055 250 | 1 135 410 | 1 192 681 |

Table 7.1 : Payments and estimates by economic classification: Health Care Support Services

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 110 448 | 112 663 | 121 545 | 132 685 | 132 685 | 138 176 | 135 113 | 142 995 | 150 145 |
| Compensation of employees | 75 511 | 78 745 | 81 357 | 89 900 | 89 900 | 85 596 | 95 700 | 100 895 | 105 940 |
| Salaries and wages | 61 630 | 64 110 | 66 664 | 72 710 | 72 710 | 74 468 | 79 500 | 83 829 | 88 021 |
| Social contributions | 13 881 | 14 635 | 14 693 | 17 190 | 17 190 | 11 128 | 16 200 | 17 066 | 17 919 |
| Goods and services | 34 937 | 33 918 | 40 188 | 42 785 | 42 785 | 52 580 | 39 413 | 42 100 | 44 205 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | 54 | 54 | 38 | 35 | 35 | 40 | 60 | 63 | 67 |
| Assets less than the capitalisation threshold | 14 | 18 | 46 | 20 | 20 | 32 | 300 | 316 | 332 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | - | - | - | - | - | - | - | - |
| Communication (G&S) | 563 | 384 | 399 | 598 | 598 | 458 | 428 | 451 | 473 |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | - | - | - | - | - | 7 | - | - | - |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | 5 | - | - | - | - | - | - | - |
| Contractors | 544 | 273 | 488 | 700 | 700 | 492 | - | 2 | 2 |
| Agency and support / outsourced services | 27 | - | - | - | 7 885 | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | 3 | 5 782 | 334 | 334 | 3 507 | 3 575 | 3 878 | 4 072 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 22 | 102 | 102 | 136 | 550 | 466 | 490 |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 5 969 | 9 081 | 3 223 | 7 025 | 7 025 | 4 104 | 1 520 | 1 618 | 1 699 |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | 100 | 105 | 110 |
| Inventory: Materials and supplies | 39 | 353 | 105 | 2 | 2 | 355 | 501 | 1 001 | 1 051 |
| Inventory: Medical supplies | 11 586 | 7 977 | 14 307 | 13 000 | 5 115 | 4 838 | 11 000 | 11 691 | 12 275 |
| Inventory: Medicine | - | 3 | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 6 072 | 5 293 | 4 639 | 9 602 | 9 602 | 5 385 | 7 050 | 7 431 | 7 803 |
| Consumable: Stationery, printing and office supplies | 350 | 138 | 67 | 66 | 66 | 135 | 150 | 157 | 165 |
| Operating leases | 45 | 26 | 97 | 105 | 105 | 111 | 104 | 109 | 114 |
| Property payments | 9 644 | 10 172 | 10 825 | 11 047 | 11 047 | 14 148 | 13 825 | 14 550 | 15 277 |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 29 | 103 | 106 | 93 | 93 | 119 | 70 | 73 | 77 |
| Training and development | 1 | 33 | - | - | - | - | - | - | - |
| Operating payments | - | 2 | 46 | 56 | 56 | 18 708 | 180 | 189 | 198 |
| Venues and facilities | - | - | - | - | - | - | - | - | - |
| Rental and hiring | - | - | - | - | - | 5 | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 14 483 | 16 493 | 1 285 | 674 | 649 | 1 032 | 575 | 606 | 637 |
| Provinces and municipalities | - | - | - | 124 | 99 | 74 | - | - | - |
| Provinces | - | - | - | 124 | 99 | 74 | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | 124 | 99 | 74 | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 14 483 | 15 170 | - | - | - | - | - | - | - |
| Social security funds | 512 | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 13 971 | 15 170 | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | 1 323 | 1 285 | 550 | 550 | 958 | 575 | 606 | 637 |
| Social benefits | - | 1 318 | 1 285 | 550 | 550 | 958 | 575 | 606 | 637 |
| Other transfers to households | - | 5 | - | - | - | - | - | - | - |
| Payments for capital assets | 35 | 1 385 | 14 | 7 600 | 7 600 | 1 726 | 2 600 | 2 736 | 2 872 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 35 | 1 385 | 14 | 7 600 | 7 600 | 1 726 | 2 600 | 2 736 | 2 872 |
| Transport equipment | - | 1 134 | - | 7 000 | 7 000 | 1 576 | 2 000 | 2 102 | 2 207 |
| Other machinery and equipment | 35 | 251 | 14 | 600 | 600 | 150 | 600 | 634 | 665 |
| Heritage Assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 2 | - | - | - | - | - | - | - | - |
| Total | 124 968 | 130 541 | 122 844 | 140 959 | 140 934 | 140 934 | 138 288 | 146 337 | 153 654 |

Table 7.J : Payments and estimates by economic classification: Health Facilities Management

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 522 372 | 463 510 | 349 449 | 169 774 | 328 279 | 377 450 | 405 904 | 374 441 | 329 006 |
| Compensation of employees | 12 736 | 21 998 | 24 048 | 7 581 | 25 089 | 24 400 | 37 000 | 37 000 | 42 000 |
| Salaries and wages | 11 343 | 21 663 | 23 639 | 6 152 | 20 158 | 21 228 | 35 571 | 35 495 | 40 420 |
| Social contributions | 1 393 | 335 | 409 | 1 429 | 4 931 | 3 172 | 1 429 | 1 505 | 1 580 |
| Goods and services | 509 636 | 441 511 | 325 401 | 162 193 | 303 190 | 353 050 | 368 904 | 337 441 | 287 006 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | 49 | 20 | - | - | - | - | - | - | - |
| Assets less than the capitalisation threshold | 28 933 | 3 356 | 3 429 | 21 173 | 19 160 | 6 454 | 6 871 | 10 106 | 8 106 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | - | - | - | - | - | - | - | - |
| Communication (G&S) | 9 | 16 | 22 | - | 4 | 4 | - | - | - |
| Computer services | 19 409 | 6 123 | 2 742 | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | 8 327 | 10 058 | 7 404 | - | 8 597 | 9 124 | - | - | - |
| Cons & prof serv: Infras and planning | 4 909 | 72 | 139 | - | 731 | 812 | 7 262 | 2 375 | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | 3 000 | 3 150 | 3 150 |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 23 213 | 69 043 | 79 696 | 24 915 | 90 338 | 95 438 | 121 439 | 109 248 | 84 208 |
| Agency and support / outsourced services | 16 811 | - | - | - | - | 320 | 5 963 | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 160 | 226 | 152 | - | 53 | 60 | 2 457 | 2 580 | 2 580 |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 5 291 | 19 997 | 583 | 5 | 861 | 2 607 | 10 005 | 12 282 | 9 282 |
| Inventory: Medical supplies | 13 | 7 | 543 | - | 453 | 1 743 | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 152 | 48 | 31 369 | - | 25 886 | 34 764 | 23 547 | 23 675 | 18 675 |
| Consumable: Stationery, printing and office supplies | 14 | 2 | 1 | 113 | 113 | - | 21 | - | - |
| Operating leases | 533 | 68 633 | 61 524 | 69 997 | 69 997 | 75 281 | 66 000 | 51 606 | 66 000 |
| Property payments | 330 439 | 261 486 | 136 619 | 45 990 | 86 960 | 126 267 | 122 339 | 122 419 | 95 005 |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | - | 358 | 242 | - | - | 138 | - | - | - |
| Training and development | 576 | 2 063 | 935 | - | - | - | - | - | - |
| Operating payments | 4 664 | 4 | 1 | - | - | 1 | - | - | - |
| Venues and facilities | 166 | - | - | - | - | - | - | - | - |
| Rental and hiring | 65 968 | - | - | - | 37 | 37 | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 10 783 | 20 000 | 20 022 | - | 14 | 36 | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 10 000 | 20 000 | 20 000 | - | - | - | - | - | - |
| Households | 783 | - | 22 | - | 14 | 36 | - | - | - |
| Social benefits | 783 | - | 22 | - | 14 | 36 | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 1 361 844 | 1 890 088 | 1 631 335 | 1 309 583 | 1 352 254 | 1 303 061 | 1 145 448 | 1 024 780 | 1 140 675 |
| Buildings and other fixed structures | 1 048 172 | 1 662 936 | 1 530 893 | 1 249 773 | 1 269 855 | 1 219 675 | 1 143 659 | 1 014 780 | 1 130 675 |
| Buildings | 1 048 172 | 1 662 936 | 1 530 893 | 1 249 773 | 1 269 855 | 1 219 675 | 1 143 659 | 1 014 780 | 1 130 675 |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 287 217 | 227 152 | 100 442 | 59 810 | 82 399 | 83 386 | 1 789 | 10 000 | 10 000 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 287 217 | 227 152 | 100 442 | 59 810 | 82 399 | 83 386 | 1 789 | 10 000 | 10 000 |
| Heritage Assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | 26 455 | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 1 894 999 | 2 373 597 | 2 000 806 | 1 479 357 | 1 680 547 | 1 680 547 | 1 551 352 | 1 399 221 | 1 469 681 |

Table 7.K : Payments and estimates by economic classification: Conditional grants

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2014/15 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 3 494 958 | 3 710 600 | 4 339 798 | 5 036 932 | 5 036 232 | 4 838 467 | 5 676 469 | 6 176 360 | 6 851 703 |
| Compensation of employees | 2 067 124 | 2 132 513 | 2 725 666 | 3 007 647 | 3 012 474 | 3 021 222 | 3 176 492 | 3 473 270 | 3 748 750 |
| Salaries and wages | 1 828 515 | 1 855 637 | 2 394 996 | 2 602 445 | 2 607 311 | 2 629 324 | 2 781 702 | 3 042 307 | 3 254 994 |
| Social contributions | 238 609 | 276 876 | 330 670 | 405 202 | 405 163 | 391 898 | 394 790 | 430 963 | 493 756 |
| Goods and services | 1 427 834 | 1 578 087 | 1 614 127 | 2 029 285 | 2 023 758 | 1 817 245 | 2 499 977 | 2 703 089 | 3 102 952 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | 3 242 | 1 899 | 873 | 17 022 | 17 022 | 4 831 | 15 022 | 14 404 | 14 404 |
| Minor assets | 6 492 | 6 262 | 1 442 | 17 329 | 12 704 | 10 173 | 14 109 | 8 022 | 10 022 |
| Audit cost: External | - | 150 | 1 566 | 3 500 | - | - | - | - | - |
| Bursaries (employees) | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 793 | 186 | 220 | 5 400 | 5 400 | 2 706 | 500 | 349 | 349 |
| Communication | 5 441 | 2 794 | 998 | 2 813 | 2 813 | 2 267 | - | 3 243 | 3 243 |
| Computer services | 19 287 | 10 236 | 6 193 | 9 045 | 10 045 | 6 770 | 35 658 | 43 769 | 94 241 |
| Cons/prof: Business & advisory services | 8 369 | 10 059 | 1 694 | 3 801 | 3 801 | 4 235 | 2 537 | 2 629 | 3 103 |
| Cons/prof: Infrastructure & planning | - | - | - | 4 580 | 4 580 | 4 580 | 7 000 | 2 000 | 2 000 |
| Cons/prof: Laboratory services | 354 568 | 280 004 | 157 220 | 271 890 | 257 462 | 318 987 | 488 900 | 561 807 | 611 807 |
| Cons/prof: Legal cost | 85 | 108 | 4 | - | - | - | - | - | - |
| Contractors | 16 463 | 21 865 | 9 657 | 19 892 | 19 730 | 6 730 | 41 692 | 18 056 | 68 056 |
| Agency & support/outourced services | 118 892 | 119 331 | 11 652 | 22 401 | 24 401 | 20 151 | 20 963 | 13 065 | 13 065 |
| Entertainment | - | - | - | - | 410 | - | - | - | - |
| Fleet services (incl. GMT) | - | - | 452 | 410 | - | 150 | 500 | 68 | 68 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 5 973 | 4 214 | 1 815 | - | 2 000 | 2 000 | - | - | - |
| Inventory: Fuel, oil and gas | 23 084 | 27 649 | 4 270 | 300 | 4 500 | 4 200 | - | 479 | 479 |
| Inventory: Learner and teacher supp material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 9 | 3 | 40 | 170 | 3 574 | 3 574 | - | - | - |
| Inventory: Medical supplies | 250 655 | 287 928 | 288 830 | 436 506 | 454 506 | 372 992 | 448 537 | 455 831 | 505 831 |
| Inventory: Medicine | 535 970 | 744 446 | 1 105 246 | 1 157 579 | 1 150 285 | 1 020 489 | 1 380 616 | 1 534 217 | 1 681 135 |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Military stores | - | - | - | - | - | - | - | - | - |
| Inventory: Other consumables | 9 228 | 4 824 | 8 712 | 208 | 9 208 | 14 195 | 4 520 | 7 422 | 7 422 |
| Inventory: Stationery and printing | 2 450 | 2 548 | 800 | 2 945 | 3 125 | 1 187 | 2 720 | 4 028 | 4 028 |
| Lease payments | 2 909 | 2 382 | 574 | 1 770 | 770 | 619 | 18 806 | 18 999 | 18 999 |
| Rental and hiring | - | - | 220 | 714 | - | - | - | - | - |
| Property payments | 49 263 | 38 227 | 996 | 4 251 | 4 980 | 4 988 | 4 122 | 4 630 | 4 630 |
| Transport provided: Departmental activity | 313 | 17 | 55 | 3 698 | 3 698 | 698 | - | 233 | 233 |
| Travel and subsistence | 3 425 | 2 954 | 3 283 | 6 473 | 2 555 | 4 567 | 2 895 | 5 341 | 5 341 |
| Training and development | 7 522 | 6 395 | 3 642 | 25 588 | 17 663 | 2 277 | 6 710 | 2 340 | 52 340 |
| Operating expenditure | 2 836 | 3 542 | 3 473 | 10 735 | 7 261 | 2 970 | 3 500 | 1 454 | 1 454 |
| Venues and facilities | 565 | 64 | 201 | 265 | 1 265 | 909 | 670 | 703 | 703 |
| Interest and rent on land | - | - | 5 | - | - | - | - | - | - |
| Interest | - | - | 5 | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 14 749 | 11 336 | 16 464 | 78 411 | 80 111 | 66 941 | 67 009 | 68 797 | 68 797 |
| Provinces and municipalities | 55 | - | 7 | 47 000 | 50 000 | 40 001 | 30 000 | 32 000 | 32 000 |
| Provinces | 1 | - | 7 | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 1 | - | 7 | - | - | - | - | - | - |
| Municipalities | 54 | - | - | 47 000 | 50 000 | 40 001 | 30 000 | 32 000 | 32 000 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | 54 | - | - | 47 000 | 50 000 | 40 001 | 30 000 | 32 000 | 32 000 |
| Departmental agencies and accounts | 56 | - | - | - | - | - | - | - | - |
| Social security funds | 29 | - | - | - | - | - | - | - | - |
| Entities receiving funds | 27 | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 12 871 | 11 336 | 12 742 | 25 370 | 22 370 | 18 664 | 27 000 | 28 429 | 28 429 |
| Households | 1 767 | - | 3 715 | 6 041 | 7 741 | 8 276 | 10 009 | 8 368 | 8 368 |
| Social benefits | 1 767 | - | 3 715 | 6 041 | 7 741 | 8 276 | 10 009 | 8 368 | 8 368 |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 943 383 | 1 284 762 | 1 078 790 | 1 113 543 | 1 318 391 | 1 329 324 | 1 160 241 | 1 019 209 | 1 064 587 |
| Buildings and other fixed structures | 733 971 | 979 788 | 1 021 353 | 912 508 | 1 112 508 | 1 112 508 | 1 143 659 | 1 004 773 | 1 050 150 |
| Buildings | 733 971 | 979 788 | 1 021 353 | 912 508 | 1 112 508 | 1 112 508 | 1 143 659 | 1 004 773 | 1 050 150 |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 198 005 | 304 974 | 57 438 | 201 035 | 205 883 | 216 816 | 16 582 | 14 436 | 14 437 |
| Transport equipment | 878 | - | - | 5 600 | 7 500 | 18 433 | - | - | - |
| Other machinery and equipment | 197 127 | 304 974 | 57 438 | 195 435 | 198 383 | 198 383 | 16 582 | 14 436 | 14 437 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | 11 407 | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | 2 | - | - | - |
| Total | 4 453 090 | 5 006 698 | 5 435 051 | 6 228 886 | 6 434 734 | 6 234 734 | 6 903 719 | 7 264 366 | 7 985 087 |

Table 7.L : Payments and estimates by economic classification: Health Professions Training and Development grant

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 249 917 | 261 860 | 276 262 | 292 837 | 292 837 | 292 837 | 299 513 | 312 377 | 331 942 |
| Compensation of employees | 249 917 | 261 860 | 276 262 | 292 837 | 292 837 | 292 837 | 299 513 | 312 377 | 331 942 |
| Salaries and wages | 230 976 | 227 818 | 253 650 | 254 769 | 254 769 | 254 769 | 260 578 | 271 646 | 288 666 |
| Social contributions | 18 941 | 34 042 | 22 612 | 38 068 | 38 068 | 38 068 | 38 935 | 40 731 | 43 276 |
| Goods and services | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 249 917 | 261 860 | 276 262 | 292 837 | 292 837 | 292 837 | 299 513 | 312 377 | 331 942 |

Table 7.M : Payments and estimates by economic classification: Health Facility Revitalisation grant

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 68 413 | 24 515 | 18 532 | 59 326 | 58 926 | 58 926 | 76 364 | 42 748 | 49 748 |
| Compensation of employees | 12 736 | 3 647 | 3 639 | 11 628 | 11 333 | 11 333 | 20 000 | 20 000 | 25 000 |
| Salaries and wages | 11 343 | 3 348 | 3 274 | 10 199 | 9 943 | 9 943 | 18 500 | 18 500 | 23 250 |
| Social contributions | 1 393 | 299 | 365 | 1 429 | 1 390 | 1 390 | 1 500 | 1 500 | 1 750 |
| Goods and services | 55 677 | 20 868 | 14 893 | 47 698 | 47 593 | 47 593 | 56 364 | 22 748 | 24 748 |
| Advertising | 13 | - | - | 22 | 22 | 22 | 22 | - | - |
| Minor assets | 5 271 | 1 709 | 83 | 14 525 | 8 000 | 8 000 | 13 709 | 6 000 | 8 000 |
| Audit cost: External | - | - | 1 566 | - | - | - | - | - | - |
| Communication | 6 | 14 | 22 | 511 | 511 | 511 | - | - | - |
| Computer services | 19 287 | 6 124 | 2 742 | 5 370 | 5 370 | 5 370 | - | - | - |
| Cons/prof: Business & advisory services | 8 328 | 10 059 | 2 | - | - | - | - | - | - |
| Cons/prof: Infrastructure & planning | - | - | - | 4 580 | 4 580 | 4 580 | 7 000 | 2 000 | 2 000 |
| Contractors | 1 | 71 | 270 | 192 | 30 | 30 | 15 192 | 192 | 192 |
| Agency & support/outourced services | 16 810 | - | 7 394 | 12 441 | 14 441 | 14 441 | 15 963 | 10 000 | 10 000 |
| Inventory: Materials and supplies | - | - | 32 | - | 3 404 | 3 404 | - | - | - |
| Inventory: Medical supplies | - | - | 514 | - | 1 500 | 1 500 | - | - | - |
| Inventory: Other consumables | 70 | - | 344 | 61 | 4 061 | 4 061 | 100 | 100 | 100 |
| Inventory: Stationery and printing | 13 | - | 1 | 220 | - | - | 220 | 220 | 220 |
| Lease payments | 71 | 75 | 43 | 20 | 20 | 20 | 36 | 36 | 36 |
| Rental and hiring | - | - | - | 714 | - | - | - | - | - |
| Property payments | 409 | 405 | 714 | 4 006 | 4 735 | 4 735 | 3 822 | 3 900 | 3 900 |
| Transport provided: Departmental activity | - | - | - | 698 | 698 | 698 | - | - | - |
| Travel and subsistence | 576 | 346 | 231 | 4 318 | 200 | 200 | 300 | 300 | 300 |
| Training and development | 4 663 | 2 064 | 935 | 20 | 20 | 20 | - | - | - |
| Operating expenditure | 159 | 1 | 1 | - | 1 | 1 | - | - | - |
| Transfers and subsidies to | 783 | - | 22 | - | - | - | - | - | - |
| Households | 783 | - | 22 | - | - | - | - | - | - |
| Social benefits | 783 | - | 22 | - | - | - | - | - | - |
| Payments for capital assets | 836 973 | 1 151 999 | 1 053 976 | 1 103 143 | 1 303 543 | 1 303 543 | 1 153 411 | 1 004 773 | 1 050 150 |
| Buildings and other fixed structures | 705 854 | 979 788 | 1 021 353 | 912 508 | 1 112 508 | 1 112 508 | 1 143 659 | 1 004 773 | 1 050 150 |
| Buildings | 705 854 | 979 788 | 1 021 353 | 912 508 | 1 112 508 | 1 112 508 | 1 143 659 | 1 004 773 | 1 050 150 |
| Machinery and equipment | 119 712 | 172 211 | 32 624 | 190 635 | 191 035 | 191 035 | 9 752 | - | - |
| Transport equipment | - | - | - | - | 1 900 | 1 900 | - | - | - |
| Other machinery and equipment | 119 712 | 172 211 | 32 624 | 190 635 | 189 135 | 189 135 | 9 752 | - | - |
| Land and sub-soil assets | 11 407 | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 906 169 | 1 176 514 | 1 072 529 | 1 162 469 | 1 362 469 | 1 362 469 | 1 229 775 | 1 047 521 | 1 099 898 |

Table 7.N : Payments and estimates by economic classification: Social Sector Expanded EPWP Grant for Provinces

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------|-----------------|----------|----------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 25 775 | - | - | 2 581 | 2 581 | 2 581 | 13 000 | - | - |
| Compensation of employees | 25 775 | - | - | 2 581 | 2 581 | 2 581 | 13 000 | - | - |
| Salaries and wages | 22 424 | - | - | 2 581 | 2 581 | 2 581 | 13 000 | - | - |
| Social contributions | 3 351 | - | - | - | - | - | - | - | - |
| Goods and services | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 25 775 | - | - | 2 581 | 2 581 | 2 581 | 13 000 | - | - |

Table 7.O : Payments and estimates by economic classification: National Tertiary Services grant

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | | 2014/15 | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 1 124 796 | 1 212 339 | 1 396 467 | 1 491 596 | 1 492 386 | 1 492 386 | 1 525 646 | 1 590 965 | 1 690 945 |
| Compensation of employees | 693 129 | 716 922 | 1 067 658 | 1 189 582 | 1 189 582 | 1 189 582 | 1 203 384 | 1 262 722 | 1 362 702 |
| Salaries and wages | 607 631 | 623 723 | 932 999 | 1 034 936 | 1 034 936 | 1 034 936 | 1 046 178 | 1 099 141 | 1 186 123 |
| Social contributions | 85 498 | 93 199 | 134 659 | 154 646 | 154 646 | 154 646 | 157 206 | 163 581 | 176 579 |
| Goods and services | 431 667 | 495 417 | 328 809 | 302 014 | 302 804 | 302 804 | 322 262 | 328 243 | 328 243 |
| Advertising | 320 | 108 | - | - | - | - | - | - | - |
| Minor assets | 583 | 270 | 344 | - | 1 900 | 1 900 | 400 | 450 | 450 |
| Audit cost: External | - | - | - | 3 500 | - | - | - | - | - |
| Communication | 2 291 | 2 251 | 500 | - | - | - | - | - | - |
| Computer services | - | - | 116 | - | - | - | - | - | - |
| Cons/prof: Legal cost | 85 | 108 | - | - | - | - | - | - | - |
| Contractors | 12 345 | 20 912 | 9 387 | 6 700 | 6 700 | 6 700 | 6 500 | 7 380 | 7 380 |
| Agency & support/outsourced services | 98 962 | 116 421 | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 2 350 | 2 117 | 1 815 | - | 2 000 | 2 000 | - | - | - |
| Inventory: Fuel, oil and gas | 17 290 | 27 302 | 4 221 | - | 4 200 | 4 200 | - | - | - |
| Inventory: Materials and supplies | - | - | 2 | - | - | - | - | - | - |
| Inventory: Medical supplies | 146 122 | 158 598 | 207 668 | 224 149 | 240 649 | 240 649 | 254 207 | 254 470 | 254 470 |
| Inventory: Medicine | 98 758 | 124 377 | 97 793 | 55 240 | 41 130 | 41 130 | 55 540 | 60 193 | 60 193 |
| Inventory: Other consumables | 7 469 | 3 460 | 4 224 | - | 5 000 | 5 000 | 4 420 | 5 000 | 5 000 |
| Inventory: Stationery and printing | 1 519 | 1 197 | 143 | - | - | - | - | - | - |
| Lease payments | 1 765 | 1 995 | 371 | 500 | 500 | 500 | 500 | - | - |
| Property payments | 39 897 | 34 385 | 6 | - | - | - | - | - | - |
| Travel and subsistence | 1 223 | 1 035 | 668 | - | 200 | 200 | 195 | 200 | 200 |
| Training and development | 131 | 700 | 536 | 7 925 | - | - | - | - | - |
| Operating expenditure | 557 | 181 | 1 015 | 4 000 | 525 | 525 | 500 | 550 | 550 |
| Transfers and subsidies to | 5 | - | - | 4 831 | 4 041 | 4 041 | 4 600 | 5 321 | 5 321 |
| Households | 5 | - | - | 4 831 | 4 041 | 4 041 | 4 600 | 5 321 | 5 321 |
| Social benefits | 5 | - | - | 4 831 | 4 041 | 4 041 | 4 600 | 5 321 | 5 321 |
| Payments for capital assets | 77 030 | 110 775 | 19 276 | - | - | - | - | - | - |
| Machinery and equipment | 77 030 | 110 775 | 19 276 | - | - | - | - | - | - |
| Other machinery and equipment | 77 030 | 110 775 | 19 276 | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 1 201 831 | 1 323 114 | 1 415 743 | 1 496 427 | 1 496 427 | 1 496 427 | 1 530 246 | 1 596 286 | 1 696 266 |

Table 7.P : Payments and estimates by economic classification: National Health Insurance grant

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | | 2014/15 | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | 9 124 | 10 075 | 9 800 | 11 200 | 11 200 | 9 578 | 10 001 | 10 946 |
| Compensation of employees | - | (90) | 317 | 1 595 | 1 595 | 1 595 | 1 383 | 1 457 | 1 457 |
| Salaries and wages | - | (85) | 297 | 1 494 | 1 494 | 1 494 | 1 234 | 1 300 | 1 300 |
| Social contributions | - | (5) | 20 | 101 | 101 | 101 | 149 | 157 | 157 |
| Goods and services | - | 9 214 | 9 758 | 8 205 | 9 605 | 9 605 | 8 195 | 8 544 | 9 489 |
| Minor assets | - | 2 027 | 991 | - | - | - | - | - | - |
| Audit cost: External | - | 150 | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | - | 24 | 100 | 100 | 100 | - | - | - |
| Communication | - | - | - | 1 252 | 1 252 | 1 252 | - | - | - |
| Computer services | - | 3 672 | 3 335 | 400 | 1 400 | 1 400 | 5 658 | 5 915 | 6 387 |
| Cons/prof: Business & advisory services | - | - | 1 692 | 3 801 | 3 801 | 3 801 | 2 537 | 2 629 | 3 103 |
| Contractors | - | 882 | - | - | - | - | - | - | - |
| Agency & support/outsourced services | - | - | 497 | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | 170 | 170 | 170 | - | - | - |
| Inventory: Medical supplies | - | 199 | 714 | 100 | 100 | 100 | - | - | - |
| Inventory: Other consumables | - | 460 | 171 | 147 | 147 | 147 | - | - | - |
| Inventory: Stationery and printing | - | 21 | 190 | 300 | 700 | 700 | - | - | - |
| Property payments | - | 350 | 261 | 200 | 200 | 200 | - | - | - |
| Travel and subsistence | - | 417 | 245 | 535 | 535 | 535 | - | - | - |
| Training and development | - | 1 007 | 1 480 | 935 | 935 | 935 | - | - | - |
| Operating expenditure | - | - | 11 | - | - | - | - | - | - |
| Venues and facilities | - | 29 | 147 | 265 | 265 | 265 | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | 7 991 | 5 445 | 4 200 | 8 648 | 8 648 | 4 830 | 5 085 | 5 086 |
| Machinery and equipment | - | 7 991 | 5 445 | 4 200 | 8 648 | 8 648 | 4 830 | 5 085 | 5 086 |
| Transport equipment | - | - | - | 1 400 | 1 400 | 1 400 | - | - | - |
| Other machinery and equipment | - | 7 991 | 5 445 | 2 800 | 7 248 | 7 248 | 4 830 | 5 085 | 5 086 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | - | 17 115 | 15 520 | 14 000 | 19 848 | 19 848 | 14 408 | 15 086 | 16 032 |

Table 7.Q : Payments and estimates by economic classification: Comprehensive HIV and AIDS grant

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | | 2014/15 | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 1 893 440 | 2 200 090 | 2 635 462 | 3 178 212 | 3 175 722 | 2 977 957 | 3 748 685 | 4 220 269 | 4 768 122 |
| Compensation of employees | 977 868 | 1 148 773 | 1 374 798 | 1 506 844 | 1 511 966 | 1 520 714 | 1 635 529 | 1 876 714 | 2 027 649 |
| Salaries and wages | 865 910 | 999 432 | 1 201 794 | 1 295 886 | 1 301 008 | 1 323 021 | 1 438 529 | 1 651 720 | 1 755 655 |
| Social contributions | 111 958 | 149 341 | 173 004 | 210 958 | 210 958 | 197 693 | 197 000 | 224 994 | 271 994 |
| Goods and services | 915 572 | 1 051 317 | 1 260 659 | 1 671 368 | 1 663 756 | 1 457 243 | 2 113 156 | 2 343 554 | 2 740 472 |
| Advertising | 2 904 | 1 571 | 873 | 17 000 | 17 000 | 4 809 | 15 000 | 14 404 | 14 404 |
| Minor assets | 542 | 2 256 | 24 | 2 804 | 2 804 | 273 | - | 1 572 | 1 572 |
| Catering: Departmental activities | 793 | 186 | 196 | 5 300 | 5 300 | 2 606 | 500 | 349 | 349 |
| Communication | 712 | 529 | 476 | 1 050 | 1 050 | 504 | - | 3 243 | 3 243 |
| Computer services | - | 440 | - | 3 275 | 3 275 | - | 30 000 | 37 854 | 87 854 |
| Cons/prof: Business & advisory services | - | - | - | - | - | 434 | - | - | - |
| Cons/prof: Laboratory services | 354 568 | 280 004 | 157 220 | 271 890 | 257 462 | 318 987 | 488 900 | 561 807 | 611 807 |
| Cons/prof: Legal cost | - | - | 4 | - | - | - | - | - | - |
| Contractors | 199 | - | - | 13 000 | 13 000 | - | 20 000 | 10 484 | 60 484 |
| Agency & support/outourced services | 2 424 | 2 910 | 3 761 | 9 960 | 9 960 | 5 710 | 5 000 | 3 065 | 3 065 |
| Entertainment | - | - | - | - | 410 | - | - | - | - |
| Fleet services (incl. GMT) | - | - | 452 | 410 | - | 150 | 500 | 68 | 68 |
| Inventory: Food and food supplies | 3 623 | 2 097 | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 566 | 347 | 49 | 300 | 300 | - | - | 479 | 479 |
| Inventory: Materials and supplies | 3 | 3 | 6 | - | - | - | - | - | - |
| Inventory: Medical supplies | 103 086 | 129 125 | 79 934 | 212 257 | 212 257 | 130 743 | 194 330 | 201 361 | 251 361 |
| Inventory: Medicine | 437 212 | 620 063 | 1 007 453 | 1 102 339 | 1 109 155 | 979 359 | 1 325 076 | 1 474 024 | 1 620 942 |
| Inventory: Other consumables | 954 | 904 | 3 973 | - | - | 4 987 | - | 2 322 | 2 322 |
| Inventory: Stationery and printing | 800 | 1 330 | 466 | 2 425 | 2 425 | 487 | 2 500 | 3 808 | 3 808 |
| Lease payments | 304 | 312 | 160 | 1 250 | 250 | 99 | 18 270 | 18 963 | 18 963 |
| Rental and hiring | - | - | 220 | - | - | - | - | - | - |
| Property payments | 179 | 2 087 | 15 | 45 | 45 | 53 | 300 | 730 | 730 |
| Transport provided: Departmental activity | - | 17 | 55 | 3 000 | 3 000 | - | - | 233 | 233 |
| Travel and subsistence | 1 428 | 1 117 | 2 131 | 1 620 | 1 620 | 3 632 | 2 400 | 4 841 | 4 841 |
| Training and development | 2 717 | 2 624 | 691 | 16 708 | 16 708 | 1 322 | 6 710 | 2 340 | 52 340 |
| Operating expenditure | 1 993 | 3 360 | 2 446 | 6 735 | 6 735 | 2 444 | 3 000 | 904 | 904 |
| Venues and facilities | 565 | 35 | 54 | - | 1 000 | 644 | 670 | 703 | 703 |
| Interest and rent on land | - | - | 5 | - | - | - | - | - | - |
| Interest | - | - | 5 | - | - | - | - | - | - |
| Transfers and subsidies to | 13 851 | 11 336 | 16 442 | 73 580 | 76 070 | 62 900 | 62 409 | 63 476 | 63 476 |
| Provinces and municipalities | 1 | - | 7 | 47 000 | 50 000 | 40 001 | 30 000 | 32 000 | 32 000 |
| Provinces | 1 | - | 7 | - | - | - | - | - | - |
| Provincial agencies and funds | 1 | - | 7 | - | - | - | - | - | - |
| Municipalities | - | - | - | 47 000 | 50 000 | 40 001 | 30 000 | 32 000 | 32 000 |
| Municipal agencies and funds | - | - | - | 47 000 | 50 000 | 40 001 | 30 000 | 32 000 | 32 000 |
| Non-profit institutions | 12 871 | 11 336 | 12 742 | 25 370 | 22 370 | 18 664 | 27 000 | 28 429 | 28 429 |
| Households | 979 | - | 3 693 | 1 210 | 3 700 | 4 235 | 5 409 | 3 047 | 3 047 |
| Social benefits | 979 | - | 3 693 | 1 210 | 3 700 | 4 235 | 5 409 | 3 047 | 3 047 |
| Payments for capital assets | 21 | 13 997 | 93 | 6 200 | 6 200 | 17 133 | 2 000 | 9 351 | 9 351 |
| Machinery and equipment | 21 | 13 997 | 93 | 6 200 | 6 200 | 17 133 | 2 000 | 9 351 | 9 351 |
| Transport equipment | - | - | - | 4 200 | 4 200 | 15 133 | - | - | - |
| Other machinery and equipment | 21 | 13 997 | 93 | 2 000 | 2 000 | 2 000 | 2 000 | 9 351 | 9 351 |
| Payments for financial assets | - | - | - | - | - | 2 | - | - | - |
| Total | 1 907 312 | 2 225 423 | 2 651 997 | 3 257 992 | 3 257 992 | 3 057 992 | 3 813 094 | 4 293 096 | 4 840 949 |

Table 7.R : Payments and estimates by economic classification: Afcon 2013 Medical Services grant

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|--------------|----------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | | 2014/15 | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | 1 672 | - | - | - | - | - | - | - |
| Compensation of employees | - | 1 401 | - | - | - | - | - | - | - |
| Salaries and wages | - | 1 401 | - | - | - | - | - | - | - |
| Goods and services | - | 271 | - | - | - | - | - | - | - |
| Advertising | - | 220 | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | 6 | - | - | - | - | - | - | - |
| Inventory: Medicine | - | 6 | - | - | - | - | - | - | - |
| Travel and subsistence | - | 39 | - | - | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | - | 1 672 | - | - | - | - | - | - | - |

Table 7.S : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | | 2014/15 | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 536 | 1 000 | 3 000 | 2 580 | 2 580 | 2 580 | 3 683 | - | - |
| Compensation of employees | - | - | 2 992 | 2 580 | 2 580 | 2 580 | 3 683 | - | - |
| Salaries and wages | - | - | 2 982 | 2 580 | 2 580 | 2 580 | 3 683 | - | - |
| Social contributions | - | - | 10 | - | - | - | - | - | - |
| Goods and services | 536 | 1 000 | 8 | - | - | - | - | - | - |
| Property payments | 536 | 1 000 | - | - | - | - | - | - | - |
| Travel and subsistence | - | - | 8 | - | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 536 | 1 000 | 3 000 | 2 580 | 2 580 | 2 580 | 3 683 | - | - |

Table 7.T : Payments and estimates by economic classification: Forensic Pathology Services grant

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | | 2014/15 | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 132 081 | - | - | - | - | - | - | - | - |
| Compensation of employees | 107 699 | - | - | - | - | - | - | - | - |
| Salaries and wages | 90 231 | - | - | - | - | - | - | - | - |
| Social contributions | 17 468 | - | - | - | - | - | - | - | - |
| Goods and services | 24 382 | - | - | - | - | - | - | - | - |
| Advertising | 5 | - | - | - | - | - | - | - | - |
| Minor assets | 96 | - | - | - | - | - | - | - | - |
| Communication | 2 432 | - | - | - | - | - | - | - | - |
| Cons/prof: Business & advisory services | 41 | - | - | - | - | - | - | - | - |
| Contractors | 3 918 | - | - | - | - | - | - | - | - |
| Agency & support/outsourced services | 696 | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 5 228 | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 6 | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | 1 447 | - | - | - | - | - | - | - | - |
| Inventory: Other consumables | 735 | - | - | - | - | - | - | - | - |
| Inventory: Stationery and printing | 118 | - | - | - | - | - | - | - | - |
| Lease payments | 769 | - | - | - | - | - | - | - | - |
| Property payments | 8 242 | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | 313 | - | - | - | - | - | - | - | - |
| Travel and subsistence | 198 | - | - | - | - | - | - | - | - |
| Training and development | 11 | - | - | - | - | - | - | - | - |
| Operating expenditure | 127 | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 110 | - | - | - | - | - | - | - | - |
| Provinces and municipalities | 54 | - | - | - | - | - | - | - | - |
| Municipalities | 54 | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | 54 | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 56 | - | - | - | - | - | - | - | - |
| Social security funds | 29 | - | - | - | - | - | - | - | - |
| Entities receiving funds | 27 | - | - | - | - | - | - | - | - |
| Payments for capital assets | 29 359 | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | 28 117 | - | - | - | - | - | - | - | - |
| Buildings | 28 117 | - | - | - | - | - | - | - | - |
| Machinery and equipment | 1 242 | - | - | - | - | - | - | - | - |
| Transport equipment | 878 | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 364 | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 161 550 | - | - | - | - | - | - | - | - |

Table 7.U : Health - Payments of infrastructure by category

| Project name | | Municipality / Region | Type of infrastructure | | Project duration | | Source of funding | Budget programme name | Targeted number of jobs for 2015/16 | Total project cost | Expenditure to date from previous years | Total available | MTEF | | |
|--------------------------------|-----------------------------------|---|---|--|------------------|-------------------|----------------------|-----------------------|-------------------------------------|--------------------|---|-----------------|---------|---------|---------|
| of which: | | | School - primary/ secondary/ specialised; admin block; water; electricity, sanitation/toilet; fencing etc. | Units | Date: Start | Date: Finish | | | | | | | 2015/16 | 2016/17 | 2017/18 |
| R thousands | | | | | | | | | | | | | | | |
| Existing infrastructure assets | Maintenance and repair: Current | Unkhanyakude | Institutions | - | Various | Various | Equitable share | Programme 8 | - | 9 677 615 | 2 757 159 | 925 285 | 781 358 | 666 248 | |
| | | Anajuba | Institutions | - | Various | Various | Equitable share | Programme 8 | - | 4 034 618 | 1 044 395 | 363 758 | 337 441 | 287 006 | |
| | | eThekwini | Institutions | - | Various | Various | Equitable share | Programme 8 | - | 198 992 | 17 324 | 12 158 | 12 766 | 13 382 | |
| | | Ilembe | Institutions | - | Various | Various | Equitable share | Programme 8 | - | 77 710 | 5 616 | 2 810 | 2 950 | 3 098 | |
| | | Harry Gwala | Institutions | - | Various | Various | Equitable share | Programme 8 | - | 626 398 | 75 597 | 63 307 | 48 622 | 50 997 | |
| | | Ugu | Institutions | - | Various | Various | Equitable share | Programme 8 | - | 130 949 | 13 338 | 8 211 | 8 622 | 9 042 | |
| | | uMgungundlovu | Institutions | - | Various | Various | Equitable share | Programme 8 | - | 258 645 | 9 888 | 9 689 | 10 173 | 10 683 | |
| | | Unzinyathi | Institutions | - | Various | Various | Equitable share | Programme 8 | - | 249 214 | 41 252 | 14 634 | 15 285 | 15 985 | |
| | | Uthukela | Institutions | - | Various | Various | Equitable share | Programme 8 | - | 570 386 | 44 970 | 38 438 | 38 259 | 39 309 | |
| | | uThungulu | Institutions | - | Various | Various | Equitable share | Programme 8 | - | 203 048 | 18 198 | 13 164 | 13 612 | 15 258 | |
| | | Zululand | Institutions | - | Various | Various | Equitable share | Programme 8 | - | 146 080 | 11 093 | 7 846 | 8 239 | 8 651 | |
| | | Various | Institutions | - | Various | Various | Equitable share | Programme 8 | - | 269 353 | 16 923 | 21 499 | 22 573 | 23 591 | |
| | | | Various | - | Various | Various | Equitable share | Programme 8 | - | 175 034 | 22 051 | 13 916 | 14 612 | 15 343 | |
| | | | Various | - | Various | Various | Equitable share | Programme 8 | - | 1 128 809 | 768 145 | 158 086 | 141 728 | 81 667 | |
| | | | Upgrades and additions: Capital | | | | | | | | | | | | |
| | | Addington Hospital | eThekwini | Accident and emergency unit plus 12 lifts | - | 31 May 2016 | 31 May 2018 | Equitable share | Programme 8 | - | 120 000 | - | 29 963 | 400 | - |
| | | St. Benedictine Hospital (Nursing College) | Zululand | Student accommodation (40 beds) - phase 1 | - | 30 September 2014 | 30 March 2018 | Revitalisation grant | Programme 8 | - | 38 446 | 5 000 | 15 000 | 22 000 | 412 |
| | | Catherine Booth Hospital | uThungulu | Demolish and rebuild new wards | - | 15 April 2018 | 15 April 2020 | Equitable share | Programme 8 | - | 95 000 | - | - | 10 000 | 40 000 |
| | | Equipping of various completed new facilities | Various | New PHC facilities: Furniture | - | Various | Various | Various | Programme 8 | - | 48 434 | - | 20 000 | 10 000 | 10 000 |
| | | Hlabisa Hospital | Unkhanyakude | Pharmacy and OPD | - | 01 November 2014 | 01 November 2018 | Revitalisation grant | Programme 8 | - | 120 000 | 14 000 | - | 40 000 | 40 000 |
| | | Natalia building | uMgungundlovu | Relocate EMS Provincial Health Operational Centre from 16th floor to Ground floor West Wing and remove wall carpet on all floors. Phase 2 electrical upgrade | - | 01 July 2014 | 01 July 2018 | Equitable share | Programme 8 | - | 110 000 | 17 170 | 61 000 | 51 000 | 4 000 |
| | | G J Crookes Hospital | Ugu | Access and traffic handling facility and upgrade roof and plumbing in maternity ward | - | 01 November 2014 | 31 March 2018 | Equitable share | Programme 8 | - | 15 000 | - | 10 786 | 3 124 | 6 000 |
| | | Prince Mshiyeni Memorial Hospital | eThekwini | Fire system | - | 12 July 2014 | 31 March 2018 | Equitable share | Programme 8 | - | 64 000 | 20 000 | 40 000 | 1 600 | - |
| | | Stanger Hospital | Ilembe | New labour and neo-natal ward | - | 09 April 2013 | 31 March 2018 | Revitalisation grant | Programme 8 | - | 155 000 | 54 944 | 65 000 | 25 000 | 5 000 |
| | | Various | Various | Various | - | Various | Various | Various | Programme 8 | - | 594 778 | 272 145 | 160 820 | 42 813 | 119 000 |
| | | Refurbishment and rehabilitation: Capital | | | | | | | | | | | | | |
| | Addington Hospital | eThekwini | Core block of hospital | - | 19 March 2012 | 22 March 2017 | Revitalisation grant | Programme 8 | - | 4 282 339 | 1 329 505 | 158 958 | 237 980 | 154 830 | |
| | Prince Mshiyeni Memorial Hospital | eThekwini | Water reservoir | - | 01 May 2014 | 31 March 2019 | Revitalisation grant | Programme 8 | - | 171 839 | 145 000 | 20 000 | 6 839 | - | |
| | King Edward VIII Hospital | eThekwini | Unblocking and repair of stormwater pipes and repairs to N and S block roofs | - | 13 July 2014 | 30 March 2018 | Revitalisation grant | Programme 8 | - | 67 000 | - | 20 000 | 35 341 | 2 000 | |
| | KZN Childrens Hospital | eThekwini | Phase 2A and Phase 2B | - | 10 February 2012 | 31 March 2017 | Equitable share | Programme 8 | - | 300 000 | 50 000 | - | 20 000 | - | |
| | Ngwelezane Hospital | uThungulu | Medical wards (192 beds) E, F, G, H and demolish existing crisis centre parkhome and construct new crisis centre, demolish old wards E, F, G, H | - | 15 July 2014 | 31 March 2018 | Revitalisation grant | Programme 8 | - | 320 000 | 59 670 | 80 000 | 100 000 | 80 330 | |
| | RK Khan Hospital | eThekwini | Core block of hospital | - | 01 June 2014 | 31 March 2017 | Equitable share | Programme 8 | - | 35 242 | 25 124 | 8 418 | 1 700 | - | |
| | Food Services | Various | Repair or replace freezer/cold rooms (48 institutions) | - | 01 June 2015 | 31 March 2020 | Equitable share | Programme 8 | - | 40 000 | - | 3 000 | 5 000 | 5 000 | |
| | King Dinuzulu Hospital | eThekwini | Staff accommodation | - | 01 November 2015 | 30 June 2019 | Equitable share | Programme 8 | - | 80 000 | - | 2 000 | 30 000 | 46 000 | |
| | G J Crookes Hospital | Ugu | Phase 2-4 casualty, trauma, admissions (completion) | - | 13 May 2011 | 30 April 2017 | Revitalisation grant | Programme 8 | - | 138 000 | 131 000 | 3 500 | 3 500 | - | |
| | Various | Various | Various | - | Various | Various | Various | Programme 8 | - | 3 060 238 | 899 032 | 22 040 | 600 | 6 500 | |

Table 7J (continued) : Health - Payments of infrastructure by category

| Table 7.0 (Continued) - neatun - Payments of infrastructure by category | | | | | | | | | | | | | | | | |
|---|--|----------------------------|--|-------|------------------|-------------------|----------------------|-------------------|-----------------------|-------------------------------------|--------------------|---|-----------------|---------|------|--|
| No. | Project name | Municipality / Region | Type of infrastructure | | Project duration | | | Source of funding | Budget programme name | Targeted number of jobs for 2015/16 | Total project cost | Expenditure to date from previous years | Total available | | MTEF | |
| | | | School - primary/ secondary/ specialised; admin block; water; electricity; sanitation/toilet; fencing etc) | Units | Date: Start | Date: Finish | 2015/16 | | | | | | 2016/17 | 2017/18 | | |
| R thousands | | | | | | | | | | | | | | | | |
| New infrastructure assets: Capital of which: | Dr. Pixley ka Seme Hospital Grootville Clinic | eThekweni Ilembe | New 500 bed regional hospital | - | 10 August 2014 | 30 March 2019 | Revitalisation grant | Programme 8 | - | 4 320 137 | 1 245 402 | 578 921 | 580 863 | 761 434 | | |
| | | | Replacement of clinic Phase 9 (including a separate PMTCT unit) | - | 31 March 2016 | 30 September 2019 | Equitable share | Programme 8 | - | 2 912 459 | 222 889 | 402 960 | 528 516 | 671 939 | | |
| | | | | | | | | | - | 55 000 | - | - | 3 000 | 20 000 | | |
| | Jozini CHC Mszini Clinic | Umkhanyakude Umninyathi | Construction of a new CHC | - | 21 August 2012 | 31 March 2017 | Revitalisation grant | Programme 8 | - | 268 502 | 258 502 | 5 000 | 5 000 | - | | |
| | | | Construction of a small clinic, B2 residential accommodation and guard house | - | 15 February 2010 | 30 June 2017 | Equitable share | Programme 8 | - | 8 282 | 2 000 | 6 000 | 283 | - | | |
| | Muden Clinic | Umninyathi | New medium clinic with double accommodation | - | 01 August 2012 | 01 July 2017 | Revitalisation grant | Programme 8 | - | 16 878 | 10 274 | 6 154 | 450 | - | | |
| | | | | | | | | | - | 5 471 | 1 412 | 3 750 | 309 | - | | |
| | Ngabayena Clinic | Umninyathi | Small clinic, B2 residential accommodation and guard house | - | 15 July 2010 | 31 July 2017 | Equitable share | Programme 8 | - | 18 000 | - | 9 200 | 6 500 | 100 | | |
| | | | New clinic | - | 01 June 2015 | 30 June 2018 | Revitalisation grant | Programme 8 | - | 18 000 | - | 9 000 | 7 300 | 500 | | |
| | | | Olafa/ Ntakama Clinic | - | 01 June 2015 | 30 June 2018 | Revitalisation grant | Programme 8 | - | 15 000 | - | 13 500 | 500 | - | | |
| | | | Umninyathi clinics | - | 01 June 2014 | 30 June 2017 | Revitalisation grant | Programme 8 | - | 1 002 545 | 750 325 | 123 357 | 29 005 | 68 895 | | |
| | | | Various | - | Various | Various | Various | Programme 8 | - | - | - | - | - | - | - | |
| Infrastructure transfers | | | | | | | | | | | | | | | | |
| of which: | Infrastructure transfers: Current | | | | | | | | | | | | | | | |
| | Infrastructure transfers: Capital | | | | | | | | | | | | | | | |
| Infrastructure: Payments for financial assets | | | | | | | | | | | | | | | | |
| Infrastructure: Leases | | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | | |
| Capital infrastructure | | | | | | | | | | | | | | | | |
| Current infrastructure | | | | | | | | | | | | | | | | |
| 13 997 752 | | | | | | | | | | | | | | | | |
| 4 002 561 | | | | | | | | | | | | | | | | |
| 1 504 206 | | | | | | | | | | | | | | | | |
| 1 362 221 | | | | | | | | | | | | | | | | |
| 1 427 682 | | | | | | | | | | | | | | | | |
| 9 963 134 | | | | | | | | | | | | | | | | |
| 2 958 166 | | | | | | | | | | | | | | | | |
| 1 140 448 | | | | | | | | | | | | | | | | |
| 1 024 760 | | | | | | | | | | | | | | | | |
| 363 758 | | | | | | | | | | | | | | | | |
| 4 034 618 | | | | | | | | | | | | | | | | |
| 287 006 | | | | | | | | | | | | | | | | |

Table 7.V : Summary of transfers to local government

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | 47 212 | - | 61 051 | 109 000 | 129 009 | 169 473 | 105 000 | 111 048 | 115 000 |
| Total: Ugu Municipalities | 5 616 | 7 270 | - | - | - | - | - | - | - |
| B KZN211 Vulamehlo | - | - | - | - | - | - | - | - | - |
| B KZN212 Umdoni | 1 663 | 1 585 | - | - | - | - | - | - | - |
| B KZN213 Umzumbhe | - | - | - | - | - | - | - | - | - |
| B KZN214 uMuziwabantu | 417 | 861 | - | - | - | - | - | - | - |
| B KZN215 Ezingolweni | - | - | - | - | - | - | - | - | - |
| B KZN216 Hibiscus Coast | 3 536 | 4 824 | - | - | - | - | - | - | - |
| C DC21 Ugu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | 11 039 | - | 5 838 | - | - | 673 | - | - | - |
| B KZN221 uMshwathi | 210 | - | - | - | - | - | - | - | - |
| B KZN222 uMngeni | 673 | - | 764 | - | - | 673 | - | - | - |
| B KZN223 Mpofana | 489 | - | - | - | - | - | - | - | - |
| B KZN224 Impendle | - | - | - | - | - | - | - | - | - |
| B KZN225 Msunduzi | 9 667 | - | 5 074 | - | - | - | - | - | - |
| B KZN226 Mkhambathini | - | - | - | - | - | - | - | - | - |
| B KZN227 Richmond | - | - | - | - | - | - | - | - | - |
| C DC22 uMgungundlovu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Uthukela Municipalities | 6 928 | 2 824 | - | - | - | 534 | - | - | - |
| B KZN232 Emnambithi/Ladysmith | 3 614 | - | - | - | - | 534 | - | - | - |
| B KZN233 Indaka | - | - | - | - | - | - | - | - | - |
| B KZN234 Umtshezi | 1 921 | 1 413 | - | - | - | - | - | - | - |
| B KZN235 Okhahlamba | 1 393 | 1 411 | - | - | - | - | - | - | - |
| B KZN236 Imbabazane | - | - | - | - | - | - | - | - | - |
| C DC23 Uthukela District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | 834 | 1 619 | 417 | - | - | 746 | - | - | - |
| B KZN241 Endumeni | - | - | - | - | - | 746 | - | - | - |
| B KZN242 Nqutu | - | - | - | - | - | - | - | - | - |
| B KZN244 Msinga | - | - | - | - | - | - | - | - | - |
| B KZN245 Umvoti | 834 | 1 619 | 417 | - | - | - | - | - | - |
| C DC24 Umzinyathi District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | 1 109 | - | - | - | - | - | - | - | - |
| B KZN252 Newcastle | 1 109 | - | - | - | - | - | - | - | - |
| B KZN253 eMadlangeni | - | - | - | - | - | - | - | - | - |
| B KZN254 Dannhauser | - | - | - | - | - | - | - | - | - |
| C DC25 Amajuba District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | - | - | - | 450 | - | - | - |
| B KZN261 eDumbe | - | - | - | - | - | 450 | - | - | - |
| B KZN262 uPhongolo | - | - | - | - | - | - | - | - | - |
| B KZN263 Abaqulusi | - | - | - | - | - | - | - | - | - |
| B KZN265 Nongoma | - | - | - | - | - | - | - | - | - |
| B KZN266 Ulundi | - | - | - | - | - | - | - | - | - |
| C DC26 Zululand District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Umkhanyakude Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN271 Umhlabyalingana | - | - | - | - | - | - | - | - | - |
| B KZN272 Jozini | - | - | - | - | - | - | - | - | - |
| B KZN273 The Big 5 False Bay | - | - | - | - | - | - | - | - | - |
| B KZN274 Hlabisa | - | - | - | - | - | - | - | - | - |
| B KZN275 Mtubatuba | - | - | - | - | - | - | - | - | - |
| C DC27 Umkhanyakude District Municipality | - | - | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | 10 467 | 7 149 | 6 773 | 23 600 | 23 600 | 8 239 | - | - | - |
| B KZN281 Umfolozi | - | - | - | - | - | - | - | - | - |
| B KZN282 uMhlatuze | 4 886 | 5 630 | 6 773 | 23 600 | 23 600 | 8 239 | - | - | - |
| B KZN283 Ntambanana | - | - | - | - | - | - | - | - | - |
| B KZN284 uMlalazi | 5 325 | 637 | - | - | - | - | - | - | - |
| B KZN285 Mthorjaneni | 256 | 882 | - | - | - | - | - | - | - |
| B KZN286 Nkandla | - | - | - | - | - | - | - | - | - |
| C DC28 uThungulu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Ilembe Municipalities | 2 835 | 4 031 | 657 | - | - | - | - | - | - |
| B KZN291 Mandeni | 541 | 564 | 657 | - | - | - | - | - | - |
| B KZN292 KwaDukuza | 2 294 | 3 467 | - | - | - | - | - | - | - |
| B KZN293 Ndwedwe | - | - | - | - | - | - | - | - | - |
| B KZN294 Maphumulo | - | - | - | - | - | - | - | - | - |
| C DC29 Ilembe District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN431 Ingwe | - | - | - | - | - | - | - | - | - |
| B KZN432 Kwa Sani | - | - | - | - | - | - | - | - | - |
| B KZN433 Greater Kokstad | - | - | - | - | - | - | - | - | - |
| B KZN434 Ubuhlebezwe | - | - | - | - | - | - | - | - | - |
| B KZN435 Umzimkulu | - | - | - | - | - | - | - | - | - |
| C DC43 Harry Gwala District Municipality | - | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | 86 040 | 22 893 | 74 736 | 132 600 | 152 609 | 180 115 | 105 000 | 111 048 | 115 000 |

VOTE 8

Human Settlements

| | |
|---------------------------------|---|
| Operational budget | R 3 584 685 000 |
| MEC remuneration | Nil |
| Total amount to be appropriated | R 3 584 685 000 |
| Responsible MEC | MEC for Public Works and Human Settlements ¹ |
| Administering department | Human Settlements |
| Accounting officer | Head: Human Settlements |

1. Overview

Vision

The vision of the department is: *Together breaking new ground to achieve decent, integrated and sustainable human settlement patterns.*

Mission statement

The mission of the department is: *To deliver 200 000 suitably located housing opportunities and security of tenure over the next five years through collaborative partnership, legislative planning processes and empowerment of women in construction.*

Strategic goals and objectives

Strategic policy direction: By focussing on its role of achieving decent, integrated and sustainable housing opportunities and security of tenure, the department seeks to align its operations and strategic position with the overall aim of government to achieve accountability and effective service delivery for all citizens.

The department's strategic objectives are summarised as follows:

- Ensuring the financial viability of the department.
- Provision of skilled human resources.
- Accelerating urban housing opportunities.
- Accelerating the creation of rental housing opportunities, and implementing projects that ensure spatial, social and economic integration.
- Identifying and implementing rectification projects to ensure transfers and home ownership.

Core functions

The following core functions have been identified as key for the attainment of the strategic objectives:

- To promote the provision of housing development.
- To promote the provision of affordable housing and essential services.
- To manage, control and maintain the immovable assets of the department.
- To research, establish, monitor and implement policies within the National Housing Policy Framework.

¹ The salary of the MEC of Human Settlements is budgeted for under Vote 14: Public Works.

- To administer and manage housing subsidies of targeted groups.
- To formulate a Provincial Housing Development Plan for the province.
- To facilitate and create housing institutions.
- To provide legal advice on land and environmental issues.
- To administer and co-ordinate the Community Residential Unit (CRU) programme.
- To administer the clearance of slums in KwaZulu-Natal.
- To capacitate housing stakeholders.

Legislative mandates

The principal legislative mandates governing the operations of the department are:

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Housing Act (Act No. 107 of 1997)
- Housing Consumers Protection Measures Act (Act No. 95 of 1998, amended by Act No. 27 of 1999)
- Rental Housing Act (Act No. 50 of 1999)
- Sectional Titles Act (Act No. 95 of 1986, as amended by Acts No. 24 and 29 of 2003)
- Prevention of Illegal Eviction and Unlawful Occupation of Land Act (Act No. 19 of 1998)
- Home Loan and Mortgage Disclosure Act (Act No. 63 of 2000)
- Disestablishment of South African Trust Limited Act (Act No. 26 of 2002)
- Constitutional Court judgment of 2000, on the enforceability of social and economic rights
- KwaZulu-Natal Housing Act (Act No. 12 of 1998, as amended)
- Housing Development Schemes for Retired Persons Act (Act No. 65 of 1988, as amended by Act No. 20 of 1998)
- National Building Regulations and Building Standards Act (Act No. 103 of 1977)
- Construction Industry Development Board Act (Act No. 38 of 2000)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Housing Consumers Protection Measures Act (Act No. 17 of 2007)
- Social Housing Act (Act No. 16 of 2008)
- Housing Development Agency Act (Act No. 23 of 2008)
- Public Finance Management Act (Act No. 1 of 1999, as amended and the Treasury Regulations)
- Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003)
- National Environmental Management Act (Act No. 107 of 1998, as amended by Act No. 8 of 2004)
- Communal Land Rights Act (Act No. 11 of 2004)
- Communal Property Associations Act (Act No. 28 of 1996)
- Deeds Registries Act (Act No. 47 of 1937)
- 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)
- Municipal Finance Management Act (Act No. 56 of 2003)
- Corruption Act (Act No. 94 of 2004, as amended)
- Expropriation Act (Act No. 39 of 1951, as repealed by Act No. 63 of 1975)
- National Heritage Resources Act (Act No. 25 of 1999)
- Standards Act (Act No. 29 of 1993)

- State Land Disposal Act (Act No. 48 of 1961)
- Intergovernmental Relations Framework Act (Act No. 13 of 2005)

2. Review of the 2014/15 financial year

This section provides a review of 2014/15, outlining the main achievements and progress made during the year, as well as providing a brief discussion on challenges and new developments.

Rental Housing Tribunal

The Rental Housing Tribunal component continues to regulate good relationships between tenants and landlords by implementing pre-emptive and pro-active measures. By the end of the third quarter, 473 tribunal cases were resolved. The Tribunal has been added as a stakeholder to the Social Housing and CRU Provincial Steering Committee, which sits monthly, and all issues, challenges and possible solutions relating to the rental housing programmes are discussed. The department has compiled tenant training material, which is presented to tenants prior to their occupation of any project. This process is ongoing and is conducted in partnership with the social housing institutions and municipalities.

Social Rental Housing

Social Rental Housing is a rental housing institution developed and managed mainly by non-profit social housing institutions for households with monthly incomes between R1 500 and R7 500. The department previously delivered social rental housing on an *ad hoc* basis without a strategic plan that was based on scientific research.

During 2014/15, the department commenced with the implementation of the KZN Rental Housing Strategic Plan 2012-2017. The plan is aimed at providing affordable rental housing units within the housing sector. Currently, there are only two municipalities that have gazetted restructuring zones within the province. The department has engaged with the National Minister of Human Settlements to gazette six new restructuring zones before the end of 2014/15. Restructuring zones are a key factor in the provision of social housing and also a key factor in accessing the restructuring capital grant from the Social Housing Regulatory Authority (SHRA). The programme also seeks to upgrade existing hostels into CRUs.

The Rental Housing's Strategic Programme Management (Booster) team has assisted the department by creating a profile of all CRU and social housing projects which are in the pipeline provincially. This information has enabled the department to be in a position to understand the *status quo* of all pipeline projects, allowing better understanding of bottlenecks and ensuring co-operation with municipalities in unlocking them, so projects can move to construction stage.

The restructuring zones are in six accredited municipalities identified to enhance service delivery. These municipalities are Hibiscus Coast, uMhlathuze, Newcastle, KwaDukuza, Ladysmith and Msunduzi.

Currently, two projects within the eThekweni Metro are under construction, namely Lakehaven phase 2, which has delivered 104 units and Avoca Heights, with 336 units. Both projects are managed by the First Metro Housing Company. The Hamptons, Hampshire and Hilltops projects have recently moved to implementation stage and the total yield is expected to be 850 units. These three social housing projects are currently undergoing site establishment and setting up the compaction of platforms.

Community Residential Unit (CRU)

CRU is an instrument that complements social housing. It can either be a development of new or an improvement of existing rental stock owned by government. It is created for households in the income band of R800 and R3 500 per month. The project is either developed or managed by the department or the municipality. The revised norms and standards that will guide the implementation of greenfield CRU projects have been approved. The following outcomes have been achieved to date:

- Rocky Park CRU: 24 units have been completed and allocated to date. There are currently 190 units under construction and 84 units will be completed by the end of 2014/15.
- Two service providers have been appointed to undertake pre-feasibility and packaging of CRU projects in six municipalities.

Rectification of pre-1994 housing stock

This programme is aimed at rectifying the housing stock constructed pre-1994. Project funding of R338.136 million over the 2014/15 MTEF for the rectification of 3 413 units was approved by the department. Various projects in eThekweni, Newcastle and Umdoni are currently underway. By the end of the third quarter, 1 535 houses were rectified against a target of 865 houses in 2014/15.

In Riverside Park in Umdoni, the project area was divided into four precincts and was awarded to different service providers to fast track service delivery. Emphasis was placed on the upgrade of the infrastructure, which is in a bad state of disrepair as a result of numerous occasions of flooding in the area. This project consists of 302 units to be completed by 2016/17 at a cost of R27 million.

Informal settlements upgrade (ISU)

The department signed a MOA with the board of the Housing Development Agency (HDA) to ensure that the process of acquiring suitable land is undertaken at a faster pace. Challenges are being experienced in acquiring suitable land to relocate excess families living within informal settlements. To date, the department has 780 hectares of land and has also introduced an anti-invasion strategy to limit land invasion. This land will be developed as a new township with a view to relocating residents of nearby informal settlements (also known as “greenfield” type of development). Fencing of the entire Jika Joe slum has taken place in order to curb any further erection of informal settlements as part of the Premier’s 100-days of activism. To date, 4 378 houses have been delivered under this instrument. The supply of bulk infrastructure (in particular water) proved to be a challenge in the delivery of sites which delayed delivery. Strategic focus for the Integrated Residential Development Programme (IRDP) has been on the delivery of serviced sites. This resulted in the delivery of 2 194 sites by the end of the third quarter. The greenfields nature of the IRDP instrument (as opposed to the *in situ* nature of many ISU) allows for better planning for the availability of bulk services.

Rural housing development

This delivery programme delivered at a much faster pace than expected throughout all the districts. A total of 12 913 rural houses were delivered by the third quarter, exceeding the target of 12 785 houses. The revised target for the fourth quarter of 2014/15 is 2 743.

3. Outlook for the 2015/16 financial year

This section looks at the key focus areas of 2015/16, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

The main purpose of the department’s budget allocation is for the provision of housing to various sectors of the population including rural areas and informal settlements, with the bulk of the funding being provided *via* the Human Settlements Development grant (HSDG). In 2015/16, the department will continue with the provision of housing, as detailed below.

Rental Housing Tribunal

The Rental Housing Tribunal component will continue to regulate good relationships between tenants and landlords by implementing pre-emptive and pro-active measures. There is still an increase in the number of complaints lodged by tenants against social housing institutions and, hence, a joint intervention between the Rental Housing Tribunal and the social housing component was established to educate both tenants and social housing institutions about their rights and obligations in terms of the Rental Housing Act.

Social rental housing

This programme is aimed at providing affordable rental housing units within the housing sector. Currently there are only two municipalities that have gazetted restructuring zones within the province. Restructuring zones are a key factor in the provision of social housing and it is also a key factor in accessing the restructuring capital grant from SHRA. The programme also seeks to upgrade existing hostels into CRUs. The revised norms and standards that will guide the implementation of greenfield CRU projects were approved in 2014/15, with the following aims:

- To achieve the delivery of 290 social housing units in 2015/16.

- To deliver 273 new community residential units and the refurbishment of 650 units within existing hostels.
- To appoint a multi-disciplinary professional team to conduct structural assessments at the East Street hostel in Pietermaritzburg.
- To seek the intervention of the National Director-General to fast-track the approval of additional restructuring zones in six municipalities (Hibiscus Coast, uMhlathuze, Newcastle, KwaDukuza, Ladysmith and Msunduzi).

Rectification of pre-1994 housing stock

Project funding of R3.500 billion over recent years for the rectification of 42 797 units was approved by the department. Various projects in eThekweni, Newcastle and Umdoni are currently underway. In 2015/16 the department will rectify 1 087 houses at a cost of R106.530 million.

The department is in engagement with municipalities regarding assessments of the following projects with the intention of understanding the scope of work required. These projects, which are either in planning stage or awaiting approval of funding and are projected for 2015/16, include Harding (48 units), Umzinyathi (1 054 units), Ilembe (125 units), Ugu (1 193 units) and ex-R293 and ex-Own Affairs in the eThekweni Metro (1 681 units).

Informal settlements upgrade

Continued focus on and roll-out of slums clearance projects is a provincial priority. Currently, 116 projects are at various stages of the housing delivery cycle. It is anticipated that these projects will provide alternative and permanent housing for 134 601 families living in slums in KZN, with 24 522 units expected to be built over the 2015/16 MTEF.

The department will continue with the implementation of the Cornubia Integrated Residential project north of Durban as the national priority “catalytic project” in 2015/16, which is expected to contribute toward achieving Outcome 8 targets and ensuring sustainable human settlements. Over the 2015/16 MTEF, a total of 2 830 units will be built, accommodating the same number of families.

The implementation of the Cabinet *Lekgotla* resolutions, which includes eradication of transit camps within the eThekweni Metro, upgrading of Madiba Bottlebrush and Kennedy Road informal settlements, Umlazi infill project, upgrading of Jika Joe informal settlement in the Msunduzi Municipality and the provision of 4 000 service sites, will continue in 2015/16.

The Enhanced People’s Housing Process (EPHP), which is part of a national initiative, provides for community/beneficiary involvement in the construction of their houses, and will result in additional houses being constructed over the medium-term. The EPHP methodology is being piloted within the province in partnership with Habitat for Humanity (a faith-based organisation) in the eThekweni area in order to ascertain the programme’s effectiveness and improvement measures so that this programme can be rolled out for implementation nationally.

Rural housing development

The current commitments ensure that all nine provinces comply with the Outcome 8 principles. This then means that the department’s development goalposts must not only focus on rural priority, but strike the required balance in ensuring that Outcome 8 principles are met. The 2015/16 target for rural interventions is 8 452, while the target for Outcome 8 interventions is 10 663.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 8.1 indicates the sources of funding for Vote 8 for the period 2011/12 to 2017/18. The budget for 2015/16 is made up of the equitable share of R342.630 million and the HSDG of R3.235 billion, with the aim of promoting the provision of low income housing and essential services. The department also receives R6.580 million in 2015/16 in respect of the EPWP Integrated Grant for Provinces.

Table 8.1 : Summary of receipts and financing

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| R thousand | | | | | | | | | |
| Equitable share | 283 444 | 300 409 | 311 786 | 327 237 | 326 962 | 326 962 | 342 630 | 361 123 | 379 178 |
| Conditional grants | 2 801 547 | 2 915 297 | 3 335 584 | 3 273 045 | 3 273 045 | 3 273 045 | 3 242 055 | 3 414 957 | 3 632 106 |
| Human Settlements Development grant | 2 769 871 | 2 915 297 | 3 332 584 | 3 273 045 | 3 273 045 | 3 273 045 | 3 235 475 | 3 414 957 | 3 632 106 |
| Housing Disaster Relief grant | 31 140 | - | - | - | - | - | - | - | - |
| EPWP Integrated Grant for Provinces | 536 | - | 3 000 | - | - | - | 6 580 | - | - |
| Total receipts | 3 084 991 | 3 215 706 | 3 647 370 | 3 600 282 | 3 600 007 | 3 600 007 | 3 584 685 | 3 776 080 | 4 011 284 |
| Total payments | 3 042 495 | 3 377 771 | 3 617 002 | 3 600 282 | 3 622 443 | 3 622 443 | 3 584 685 | 3 776 080 | 4 011 284 |
| Surplus/(Deficit) before financing | 42 496 | (162 065) | 30 368 | - | (22 436) | (22 436) | - | - | - |
| Financing | | | | | | | | | |
| of which | | | | | | | | | |
| Provincial roll-overs | - | 27 637 | - | - | - | - | - | - | - |
| Provincial cash resources | - | 134 477 | 1 000 | - | 22 436 | 22 436 | - | - | - |
| Surplus/(Deficit) after financing | 42 496 | 49 | 31 368 | - | - | - | - | - | - |

The department's equitable share budget grows steadily from 2011/12 to 2017/18, attributed mainly to inflationary wage adjustments and inflation related items for the department's administration costs.

Conditional grants grow steadily from 2011/12 to 2013/14, attributed mainly to the HSDG, largely as a result of additional funding allocated for the informal settlements upgrade in rapidly urbanising mining towns to support the implementation of the Strategic Infrastructure Projects (SIPs) identified by the Presidential Infrastructure Co-ordinating Committee (PICC). The growth was offset to some extent by the baseline cuts in the grant due to the data update resulting from the 2011 Census. There are further cuts in 2015/16 and 2016/17, partly due to the fiscal consolidation effects, as well as funds being reprioritised from all provinces to the HDA, which is taking on an expanded mandate that includes some of the planning and project development work that was previously carried out by provinces. Despite these cuts, the budget for the HSDG grows consistently over the 2015/16 MTEF, at this stage. The allocation for the HSDG also includes funds earmarked for spending within the eThekweni Metro, as well as funding for disaster repairs (flood and fire). It is noted that the department will receive additional funding of R236 million in 2014/15 for the HSDG, being funding re-allocated by the National Department of Human Settlements from Limpopo Province due to slow spending. This additional amount will be formalised in the second Adjustments Estimate in March 2015, and hence is not included in Table 8.1.

During 2011/12, the department was allocated additional funding of R31.140 million in respect of the Housing Disaster Relief grant for repairs to infrastructure damaged by floods during January and February 2011. This budget was not fully spent due to, among others, delays in finalising the database of service providers that were to be utilised for the implementation of the programme, as well as delays in the verification of affected beneficiaries. The department received a roll-over of R27.637 million to 2012/13 in this regard.

The department under-spent its 2011/12 budget by R42.496 million, emanating mainly from the Housing Disaster Relief grant, as explained above, as well as against the equitable share due to the non-filling of vacant posts because of the lack of suitable candidates and ongoing review of the organisational structure.

Provincial cash resources in 2012/13 reflect R134.477 million, which comprised R85.229 million relating to funds from Thubelisha Homes for Ingwavuma Ministerial projects, and R49.248 million relating to the funds received in terms of the Wiggins and Bonela Housing project, which were reallocated for the implementation of social housing projects. An amount of R27.637 million against provincial roll-overs relates to the roll-over approved with respect to the Housing Disaster Relief grant. The department under-spent its 2012/13 allocation by an insignificant amount of R49 000.

The department was also allocated amounts of R536 000 in 2011/12 and R3 million in 2013/14 in respect of the EPWP Integrated Grant for Provinces, with the aim of creating temporary work opportunities and transferring skills to the unemployed. An amount of R6.580 million is allocated in 2015/16 only, at this stage.

The department received an additional allocation of R1 million from provincial cash resources in 2013/14 for spending on OSS initiatives, as identified by the MEC.

The department under-spent its 2013/14 budget by R31.368 million, emanating mainly from the HSDG as a result of a capturing error which was only identified in the auditing process after year-end, and after the National Treasury deadline for the submission of roll-over requests. A roll-over of these funds to 2014/15 was requested post-audit, but was declined by National Treasury due to the late submission.

Provincial cash resources in the 2014/15 Adjusted Appropriation reflect R22.436 million relating to the reallocation of unused funds received from SHRA for the Meadowlands Social Housing project which was re-allocated back to the department for the implementation of social housing projects under the Westgrange Social Housing project.

4.2 Departmental receipts collection

Table 8.2 provides a summary of the receipts collected by the department. Details of these departmental receipts are given in *Annexure – Vote 8: Human Settlements*.

Table 8.2 : Summary of departmental receipts collection

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 474 | 469 | 434 | 477 | 477 | 807 | 534 | 562 | 590 |
| Transfers received | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | (20) | 16 | 4 142 | 20 | 20 | 375 | 18 | 16 | 17 |
| Sale of capital assets | 160 | 530 | 19 | 480 | 480 | 480 | 500 | 520 | 546 |
| Transactions in financial assets and liabilities | 268 554 | 14 081 | 4 836 | 853 | 853 | 28 445 | 1 000 | 1 100 | 1 155 |
| Total | 269 168 | 15 096 | 9 431 | 1 830 | 1 830 | 30 107 | 2 052 | 2 198 | 2 308 |

The major source of departmental receipts is *Transactions in financial assets and liabilities*, which comprises receipts collected from previous years' staff debtors in respect of breached bursary contracts, as well as refunds of subsidies from banks and conveyancers on the close-out of projects. Revenue collected in 2011/12 relates to, among others, an amount of R85.229 million which was received by the department from Thubelisha Homes for Ingwavuma Ministerial projects, as well as an amount of R176.105 million in respect of Wiggins and Bonela Housing projects. The 2012/13 collection includes, *inter alia*, unused funds which were returned to the Provincial Revenue Fund, funds recovered by the Special Investigating Unit (SIU) in relation to fraud cases and funds returned to the department due to cancellation of payment to a supplier because of incorrect banking details. Further issues affecting this category include:

- Revenue collected in 2013/14 comprises monies recovered by the SIU from finalised fraud cases, a subsidy refund from the eThekweni Metro in respect of the Riverdene Housing project due to the cancellation of beneficiaries, funds relating to interest accumulated on the cost of a property (R59 million) that was transferred from Windy View Sugar CC to KwaDukuza Municipality and recovery of staff debts.
- The department projects to over-collect its 2014/15 Main Appropriation, which is due to, among others, a refund of over-payments made by the department to a supplier and an amount of R1.300 million which was collected in respect of the KZN Housing Fund. This relates to accumulated payments made by tenants for occupying department's houses which are journalised at the end of the financial year. The conservative budgeting over the MTEF reflects the department's inability to accurately project recoveries from projects, due to their uncertain nature.

Sale of goods and services other than capital assets reflects monies from commission on PERSAL deductions such as insurances and garnishees, rental on state owned property, parking fees and sale of tender documents. The department is anticipating to over-collect in 2014/15, which can be ascribed to the large number of tender documents sold. Fewer tender documents are expected to be sold over the MTEF, because most tenders were awarded in the previous financial year.

Interest dividends and rent on land includes interest from staff debts and interest on positive cash balances. In 2011/12, the interest collected was negative, largely due to a reversal of interest on bursary debts dating back to 2005, which was incorrectly charged. This is part of an ongoing process to review old debts. The department has been advised by Provincial Treasury to write-off these debts. The low 2012/13 collection is based on the advice given by Provincial Treasury. In 2013/14, the department collected revenue of R4.142 million mainly from the interest received on unused funds transferred to SHRA for the implementation of social housing projects. The 2014/15 Revised Estimate of R375 000 relates to interest on funds which were transferred to SHRA for the implementation of social housing projects.

Sale of capital assets relates to cash received from the sale of redundant assets. A provision has been made under this category in 2014/15, increasing over the MTEF in anticipation of vehicles to be auctioned.

4.3 Donor funding – Nil

5. Payment summary

Section 5 reflects payments and budgeted estimates in terms of programmes and economic classification. Details are given in *Annexure – Vote 8: Human Settlements*.

5.1 Key assumptions

The key assumptions that underpin the MTEF budget of the department are summarised below:

- National Treasury imposed fiscal consolidation cuts on the equitable share and conditional grant allocations of provinces for 2015/16 and 2016/17. In KZN, the bulk of the equitable share cut is absorbed by reducing the Contingency Reserve, stopping of the Strategic Cabinet Initiatives Fund, etc. As part of the fiscal consolidation, National Treasury has not provided any funding for the carry-through costs of the 2014 wage agreement, and the department therefore had to fund these by internal reprioritisation and lowering growth of non-essential item budgets.
- The budget and service delivery indicators are based on a subsidy for a minimum of a 40m² house for new projects (i.e. projects approved from 2009/10 onward).
- Inflation related items have been based on CPI projections.
- Provision was made through reprioritisation for an inflationary wage adjustment of 5.6 per cent in 2015/16, 5.5 per cent in 2016/17 and 5 per cent in 2017/18, as well as the annual 1.5 per cent pay progression.
- Funding for bulk infrastructure will be provided by the municipalities.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2014/15, will continue to be adhered to over the 2015/16 MTEF in conjunction with National Treasury Instruction 01 of 2013/14: Cost-containment measures. The provincial financial control measures have been updated to include those that were adopted by the Committee of Heads of Departments (COHODs) in December 2014.

5.2 Additional allocations for the 2013/14 to 2015/16 MTEF

Table 8.3 shows additional funding received by the department over the three MTEF periods: 2013/14, 2014/15 and 2015/16.

Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants.

The purpose of such a table is two-fold. Firstly, it shows the quantum of additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated.

The carry-through allocations for the 2013/14 and 2014/15 MTEF periods (i.e. for the financial year 2017/18) are based on the incremental percentage used in the 2015/16 MTEF.

Table 8.3 : Summary of additional provincial allocations for the 2013/14 to 2015/16 MTEF

| R thousand | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|---|----------------|----------------|-----------------|-----------------|-----------------|
| 2013/14 MTEF period | (4 305) | (8 877) | (11 012) | (11 519) | (12 094) |
| Census data update and 1%, 2% and 3% baseline cuts | (4 305) | (8 877) | (11 012) | (11 519) | (12 094) |
| 2014/15 MTEF period | | 596 | 2 110 | 2 560 | 2 688 |
| Carry-through of previous wage agreements | | 1 673 | 3 230 | 3 732 | 3 919 |
| Centralisation of communications budget under OTP | | (513) | (540) | (565) | (593) |
| Centralisation of external bursaries budget under OTP | | (564) | (580) | (607) | (637) |
| 2015/16 MTEF period | | | 580 | 607 | 637 |
| Decentralisation of bursaries budget | | | 580 | 607 | 637 |
| Total | (4 305) | (8 281) | (8 322) | (8 352) | (8 769) |

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

In the 2014/15 MTEF, the department received additional funding for the carry-through of previous wage agreements. Cabinet resolved for the centralisation of parts of the communication and external bursaries' budgets under the Office of the Premier (OTP), hence the budget reductions over the 2014/15 MTEF.

In the 2015/16 MTEF, the department was re-allocated funds relating to the centralisation of the bursaries budget under OTP, due to a decision to decentralise bursaries back to departments.

5.3 Summary by programme and economic classification

The budget structure of Vote 8 largely conforms to the uniform budget and programme structure prescribed for the Human Settlements sector.

Tables 8.4 and 8.5 below provide a summary of the vote's payments and budgeted estimates over the MTEF period, by programme and economic classification, respectively.

In terms of Section 34(2) of the PFMA, and in line with SCOPA Resolution 19 of 2010, the department was liable for the repayment of over-expenditure from 2006/07 to 2008/09, resulting in a first charge of R18.606 million against the department's budget, split over two years. The first instalment of R9.303 million was implemented against the 2010/11 budget, and the second instalment of the same amount implemented in 2011/12. This amount is reflected under Programme 1, against *Payments for financial assets* and the amount available for spending in 2011/12 was reduced by this charge.

The allocation increases over the seven years in line with the allocation for the HSDG. As previously mentioned, the grant has been reduced marginally in 2015/16 and 2016/17, partly due to the fiscal consolidation effects, as well as funds reprioritised from all provinces to the HDA.

Table 8.4 : Summary of payments and estimates by programme: Human Settlements

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 133 940 | 151 366 | 163 986 | 184 669 | 184 394 | 184 394 | 193 378 | 203 629 | 213 810 |
| 2. Housing Needs, Research and Planning | 11 993 | 13 823 | 14 115 | 17 155 | 16 155 | 16 155 | 17 076 | 18 299 | 19 214 |
| 3. Housing Development | 2 710 996 | 3 027 491 | 3 270 961 | 3 213 530 | 3 273 364 | 3 273 364 | 3 205 251 | 3 355 652 | 3 568 382 |
| 4. Housing Asset Management, Property Management | 185 566 | 185 091 | 167 940 | 184 928 | 148 530 | 148 530 | 168 980 | 198 500 | 209 878 |
| Total | 3 042 495 | 3 377 771 | 3 617 002 | 3 600 282 | 3 622 443 | 3 622 443 | 3 584 685 | 3 776 080 | 4 011 284 |
| Unauth. Exp. (1st charge) not available for spending | (9 303) | - | - | - | - | - | - | - | - |
| Baseline available for spending after 1st charge | 3 033 192 | 3 377 771 | 3 617 002 | 3 600 282 | 3 622 443 | 3 622 443 | 3 584 685 | 3 776 080 | 4 011 284 |

Table 8.5 : Summary of payments and estimates by economic classification: Human Settlements

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 200 688 | 244 963 | 287 661 | 399 805 | 355 308 | 363 964 | 383 788 | 390 551 | 410 882 |
| Compensation of employees | 135 400 | 165 469 | 202 048 | 289 591 | 239 075 | 242 068 | 263 250 | 282 004 | 303 186 |
| Goods and services | 65 288 | 79 494 | 85 501 | 110 214 | 116 232 | 121 895 | 120 538 | 108 547 | 107 696 |
| Interest and rent on land | - | - | 112 | - | 1 | 1 | - | - | - |
| Transfers and subsidies to: | 2 817 555 | 3 120 318 | 3 314 180 | 3 087 469 | 3 189 300 | 3 180 573 | 3 184 463 | 3 381 777 | 3 596 619 |
| Provinces and municipalities | 62 | 115 145 | 40 447 | 102 335 | 44 476 | 57 695 | 148 680 | 111 115 | 54 169 |
| Departmental agencies and accounts | 185 566 | 319 568 | 168 692 | 20 000 | 149 236 | 150 168 | 168 980 | 198 500 | 209 878 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 2 631 927 | 2 685 605 | 3 105 041 | 2 965 134 | 2 995 588 | 2 972 710 | 2 866 803 | 3 072 162 | 3 332 572 |
| Payments for capital assets | 14 949 | 12 472 | 15 048 | 113 008 | 77 293 | 77 161 | 16 434 | 3 752 | 3 783 |
| Buildings and other fixed structures | 11 022 | 1 009 | 6 799 | 105 135 | 64 459 | 64 459 | 12 500 | - | - |
| Machinery and equipment | 3 927 | 11 128 | 8 027 | 7 873 | 12 409 | 12 277 | 3 934 | 3 752 | 3 783 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | 335 | 222 | - | 425 | 425 | - | - | - |
| Payments for financial assets | 9 303 | 18 | 113 | - | 542 | 745 | - | - | - |
| Total | 3 042 495 | 3 377 771 | 3 617 002 | 3 600 282 | 3 622 443 | 3 622 443 | 3 584 685 | 3 776 080 | 4 011 284 |
| Unauth. Exp. (1st charge) not available for spending | (9 303) | - | - | - | - | - | - | - | - |
| Baseline available for spending after 1st charge | 3 033 192 | 3 377 771 | 3 617 002 | 3 600 282 | 3 622 443 | 3 622 443 | 3 584 685 | 3 776 080 | 4 011 284 |

Programme 1: Administration reflects a steady increase from 2011/12 to 2013/14. The decrease of R275 000 in the 2014/15 Adjusted Appropriation relates to previous years' irregular expenditure which was not approved by Cabinet and became a first charge against the department's budget. The increase over the 2015/16 MTEF is to cater for wage agreements and inflationary adjustments, as well as the filling of critical vacant posts in line with the moratorium of filling of non-critical vacant posts within the programme.

Programme 2: Housing Needs, Research and Planning reflects a steady increase from 2011/12 to 2013/14. The decrease from the 2014/15 Main to the Adjusted Appropriation relates to a decision taken to fill the post of the General Manager: Planning and Development on a contractual basis utilising the Operational Capital (OPSCAP) programme in the HSDG, due to the fact that the responsibilities pertaining to this post relate directly to service delivery and the HSDG. The increase over the 2015/16 MTEF is to cater for wage agreements and inflationary adjustments, as well as the filling of critical vacant posts.

Programme 3: Housing Development reflects an increase from 2011/12 to 2013/14 as the focus remains on the fast-tracking of service delivery in KZN. The growth in this programme relates to the increase in the HSDG, which has been allocated for various housing programmes such as the UISP, the EPHP, etc. Note that, as previously mentioned, the department will receive additional funding of R236 million for the HSDG, re-allocated from Limpopo Province, to be formalised in the second Adjustments Estimate in March 2015. This amount is not included in Tables 8.4 and 8.5. There are fluctuating trends in 2014/15 and the 2015/16 MTEF, resulting from some projects reaching finalisation stage and other new projects being implemented, as well as the previously mentioned fiscal consolidation budget cuts to the HSDG.

The decrease against Programme 4: Housing Asset Management, Property Management from 2011/12 to 2014/15 relates to delays in the implementation of the rectification programme for the pre-1994 housing stock of ex-Own Affairs and ex-R293 areas which were delayed as a result of the appointment of the service provider in the eThekweni Metro taking longer than anticipated. The decrease in the 2014/15 Adjusted Appropriation relates to HSDG funding moved to fund pressures in Programme 3. The spending in Programme 4 was slow due to delays in the Austerville and Shallcross projects resulting from changes in specification and some social issues. The increase over the 2015/16 MTEF relates to the rectification of pre-1994 housing stock which was delayed in previous financial years due to specification changes and social issues.

Note that a major change was made in the 2014/15 Adjustments Appropriation to the way in which all activities within Programme 4 are funded. This programme's funding relates to activities of the former SA Housing Fund, which was dis-established in 2003 and is no longer a listed public entity in terms of

Section 47(2) of the PFMA. Expenditure was previously incurred against all categories in Programme 4 but, following an A-G finding and in compliance with Generally Recognised Accounting Standards (GRAP) requirements, payments are now reflected against *Transfers and subsidies to: Departmental agencies and accounts*. The historical data prior to 2014/15 has been restated for comparative purposes. Note also that the department now refers to the entity as the KZN Housing Fund. The decrease in the 2014/15 Adjusted Appropriation relates to delays in the rectification of pre-1994 pilot phase in Austerville and Shallcross due to social issues and specification changes. This funding was reprioritised to Programme 3 to address spending pressures.

The decrease in *Compensation of employees* in the 2014/15 Adjusted Appropriation was due to the previously mentioned movement of all funding related to the KZN Housing Fund to *Transfers and subsidies to: Departmental agencies and accounts*. The increase over the 2015/16 MTEF is to cater for the filling of critical vacant posts in anticipation that the department will be able to attract people with relevant built environment skills, as well as the carry-through costs of previous wage agreements.

Goods and services reflects a steady increase from 2011/12 to 2013/14 in line with inflationary increases. The increase from the 2014/15 Main to Adjusted Appropriation relates to funding reprioritised to address pressures relating to the fast-tracking of housing project launches which were under-budgeted for. The decreasing trend over the remainder of the 2015/16 MTEF is due to cost-containment measures, particularly against travel costs.

Interest and rent on land pertains to interest paid on overdue accounts in 2013/14 and 2014/15. The department did not pay these accounts on time as illegal cession agreements were entered into by service providers implementing the Social and Economic Amenities programme.

The fluctuations against *Transfers and subsidies to: Provinces and municipalities* from 2011/12 to 2013/14 relate to the high amount paid in 2012/13 due to the final transfer to the eThekweni Metro in respect of the maintenance of R293 hostels. During 2012/13, there was also a transfer to the eThekweni Metro in respect of the CRU programme. The decrease from the 2014/15 Main to the Adjusted Appropriation was due to the previously mentioned movement of all funding related to the KZN Housing Fund to *Transfers and subsidies to: Departmental agencies and accounts*. The decreasing trend over the remainder of the 2015/16 MTEF is largely due to the anticipated winding up of the CRU programme in the eThekweni Metro.

The spending against *Transfers and subsidies to: Departmental agencies and accounts* in 2012/13 relates to transfers made to SHRA for the implementation of the social housing programme. In 2013/14, the 2014/15 Adjusted Appropriation, and over the 2015/16 MTEF, funds relating to the KZN Housing Fund have been moved to this category, due to the previously mentioned compliance with an A-G finding and GRAP requirements.

Transfers and subsidies to: Households shows an increasing trend from 2011/12 to 2013/14. This is due to the increase in the HSDG as the bulk of the housing programmes are budgeted for within this category. The Housing Disaster Relief grant is also catered for within this classification. The decrease in the 2014/15 Main Appropriation is due to once-off funding for the HSDG in 2013/14. The increase from the 2014/15 Main to Adjusted Appropriation was due to the previously mentioned once-off increase to the HSDG, to address the acceleration of service delivery for projects related mainly to Outcome 8 targets under the UISP, accounting for the decrease in 2015/16. As previously mentioned, the HSDG has been reduced marginally in 2015/16 and 2016/17, partly due to the fiscal consolidation effects, as well as funds reprioritised from all provinces to the HDA.

Buildings and other fixed structures is mainly related to the Social and Economic Amenities programme. The fluctuating trend from 2011/12 to 2013/14 relates to the programme being put on hold due to a number of challenges which necessitated that investigations and forensic audits be conducted. It must, however, be noted that the challenges experienced were dealt with during 2013/14. The decrease from the 2014/15 Main to Adjusted Appropriation is due to delays in projects, namely Umziki and Stepmore under the Harry Gwala Cluster. The department has terminated the contract with the contractor appointed and is in the process of appointing new contractors. In 2015/16, funding is allocated for the finalisation of the Social and Economic Amenities programme, which will form part of the project in future.

Machinery and equipment shows a fluctuating trend from 2011/12 to 2013/14 which is due to purchasing of vehicles being cyclical in nature. The increase in the 2014/15 Adjusted Appropriation is due to provision made for the upgrade of the main servers. The decreasing trend from 2015/16 relates to the reduction in the purchasing of capital assets due to ongoing implementation of cost-cutting and the fact that purchasing of vehicles is cyclical in nature.

The spending against *Software and other intangible assets* relates to the purchase of various software packages in 2012/13, 2013/14 and 2014/15.

Payments for financial assets relates to the write-off of staff debts in terms of the departmental write-off policy in 2012/13. The significant amount in 2011/12 relates to the first charge against the departmental budget as a result of unauthorised expenditure incurred in previous years, as mentioned.

5.4 Summary of conditional grants payments and estimates

Tables 8.6 and 8.7 below provide a summary of the conditional grant payments and budgeted estimates over the MTEF period by conditional grant name and economic classification, respectively. The department has three grants, namely the HSDG, the Housing Disaster Relief grant and the EPWP Integrated Grant for Provinces, although only the HSDG receives funding over the 2015/16 MTEF at this stage. As previously mentioned, the HSDG has been reduced marginally in 2015/16 and 2016/17, partly due to the fiscal consolidation effects, as well as funds reprioritised from all provinces to the HDA. Note also that, as previously mentioned, the department will receive an additional R236 million in 2014/15, to be formalised in the second Adjustments Estimate in March 2015.

Note that the historical figures set out in Table 8.6 below reflect actual expenditure per grant, and should not be compared to those reflected in Table 8.1, which represent the actual receipts for each grant.

Details are given in *Annexure – Vote 8: Human Settlements*.

Table 8.6 : Summary of conditional grants payments and estimates by name

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------------|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Human Settlements Development grant | 2 772 854 | 3 077 411 | 3 309 243 | 3 273 045 | 3 273 045 | 3 273 045 | 3 235 475 | 3 414 957 | 3 632 106 |
| Housing Disaster Relief grant | 2 361 | 27 637 | - | - | - | - | - | - | - |
| EPWP Integrated Grant for Provinces | - | - | - | - | - | - | 6 580 | - | - |
| Total | 2 775 215 | 3 105 048 | 3 309 243 | 3 273 045 | 3 273 045 | 3 273 045 | 3 242 055 | 3 414 957 | 3 632 106 |

Table 8.7 : Summary of conditional grants payments and estimates by economic classification

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 12 221 | 6 654 | 48 464 | 81 002 | 86 827 | 86 827 | 95 950 | 86 790 | 91 792 |
| Compensation of employees | 10 262 | 500 | 38 575 | 55 137 | 55 137 | 55 137 | 59 492 | 64 132 | 69 134 |
| Goods and services | 1 959 | 6 154 | 9 781 | 25 865 | 31 690 | 31 690 | 36 458 | 22 658 | 22 658 |
| Other | - | - | 108 | - | - | - | - | - | - |
| Transfers and subsidies to: | 2 751 684 | 3 097 175 | 3 253 711 | 3 086 408 | 3 080 547 | 3 080 547 | 3 133 105 | 3 327 667 | 3 539 814 |
| Provinces and municipalities | - | 115 000 | 40 384 | 102 070 | 44 261 | 44 261 | 148 400 | 110 820 | 53 869 |
| Departmental agencies and accounts | 117 899 | 271 311 | 109 636 | 20 000 | 100 988 | 100 988 | 118 482 | 145 292 | 154 010 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 2 633 785 | 2 710 864 | 3 103 691 | 2 964 338 | 2 935 298 | 2 935 298 | 2 866 223 | 3 071 555 | 3 331 935 |
| Payments for capital assets | 11 310 | 1 219 | 7 068 | 105 635 | 105 671 | 105 671 | 13 000 | 500 | 500 |
| Buildings and other fixed structures | 11 022 | 1 009 | 6 799 | 105 135 | 100 857 | 100 857 | 12 500 | - | - |
| Machinery and equipment | 288 | 210 | 269 | 500 | 4 389 | 4 389 | 500 | 500 | 500 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | 425 | 425 | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 2 775 215 | 3 105 048 | 3 309 243 | 3 273 045 | 3 273 045 | 3 273 045 | 3 242 055 | 3 414 957 | 3 632 106 |

The department's main funding relates to the HSDG, which aims to promote the provision of low income housing using different programmes such as project linked subsidies, people's housing programmes, IRDP, rural housing subsidies, UISP, social housing, etc. Note that, as previously mentioned, the department will receive a further R236 million for this grant, re-allocated from Limpopo Province and to be formalised in the second Adjustments Estimate in March 2015, but this is not included in the tables.

From 2011/12 to 2012/13, the department received the Housing Disaster Relief grant, to rehabilitate communities affected by storm damage. Disaster funding was not separately provided for in 2013/14, as the disaster allocation formed part of the HSDG in 2013/14. The HSDG includes an amount of R158.821 million in 2015/16, which is ring-fenced for repairs to houses affected by disasters.

As from 2010/11, the department started funding *Compensation of employees* from the HSDG, in line with DORA, which allows for up to 5 per cent of the grant funding to be used for administrative purposes. The decrease in 2012/13 relates to salary costs being incurred from the equitable share to cater for the acceleration in service delivery in the housing programmes. The increase in 2013/14 onward relates to the various wage increases and also for the filling of vacant budgeted posts related to the HSDG.

The increase in *Goods and services* in 2012/13 relates to poor spending in 2011/12 on the Extended Enhanced Discount Benefit Scheme (EEDBS) programme due to delays in the rehabilitation of housing which led to the increase in the maintenance of housing properties. The increase from the 2014/15 Main to Adjusted Appropriation is due to fast-tracking of housing project launches which were under-budgeted. Housing projects involved included Sibongile Bufferstrip, Umzumbe OSS, Khula Village, Mandlankala and Gobandlovu.

Current payments: Other pertains to interest paid on overdue accounts in 2013/14. The department did not pay these accounts on time, as illegal cession agreements were entered into by service providers implementing the Social and Economic Amenities programme.

The steady increase against *Transfers and subsidies to: Provinces and municipalities* from 2011/12 to 2013/14 relates to the high amount paid in 2012/13 due to the final transfer to eThekweni in respect of the maintenance of R293 hostels. During 2012/13, there was also a transfer to eThekweni in respect of the CRU programme. The decrease from the 2014/15 Main to Adjusted Appropriation resulted from the previously mentioned, correction of portion of the funding for the KZN Housing Fund to *Transfers and subsidies to: Departmental agencies and accounts* in compliance with an A-G finding and GRAP requirements.

The allocation against *Transfers and subsidies to: Departmental agencies and accounts* in 2012/13 relates to transfers made to SHRA for the implementation of the social housing programme. In 2013/14, 2014/15 and over 2015/16 MTEF, funding includes the previously mentioned reallocation of the KZN Housing Fund to this category.

Transfers and subsidies to: Households shows an increasing trend from 2011/12 to 2013/14. This is due to the increase in the HSDG, as the bulk of the housing programmes are budgeted for within this economic classification. The Housing Disaster Relief grant is also catered for within this classification. The trend over the 2015/16 MTEF is in line with the allocation for the HSDG.

Buildings and other fixed structures is mainly related to the Social and Economic Amenities programme. The fluctuations from 2011/12 to 2013/14 relate to the programme being put on hold due to a number of challenges which necessitated that investigations and forensic audits be conducted. It must, however, be noted that the challenges experienced on the programme were dealt with during 2013/14. The decrease from the 2014/15 Main to Adjusted Appropriation is due to delays in projects, namely, Umziki and Stepmore under the Harry Gwala Cluster. The department has terminated the contractor appointed and is in process of appointing new contractors. In 2015/16, funding is allocated for the finalisation of the Social and Economic Amenities programme, which will form part of the project in future.

As mentioned, the department spent a portion of the HSDG on *Machinery and equipment* in 2011/12 to 2014/15 and also provides for this over the MTEF, as it will need to purchase furniture and equipment in respect of new technical posts anticipated to be filled that will be funded from this grant.

5.5 Summary of infrastructure payments and estimates

Table 8.8 presents a summary of infrastructure payments and estimates by infrastructure category. Note that the previously mentioned movement in the 2014/15 Adjusted Appropriation of all funding for the KZN Housing Fund within Programme 4 to *Transfers and subsidies to: Departmental agencies and accounts* also affects infrastructure. This has resulted in the *Maintenance and repair: Current* and *Refurbishment and rehabilitation: Capital* funding moving to *Infrastructure transfers: Capital*.

Table 8.8 : Summary of infrastructure payments and estimates by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Existing infrastructure assets | - | - | - | 50 516 | - | - | - | - | - |
| Maintenance and repair: Current | - | - | - | 10 051 | - | - | - | - | - |
| Upgrades and additions: Capital | - | - | - | - | - | - | - | - | - |
| Refurbishment and rehabilitation: Capital | - | - | - | 40 465 | - | - | - | - | - |
| New infrastructure assets: Capital | 11 022 | 1 009 | 6 799 | 64 670 | 64 459 | 64 459 | 12 500 | - | - |
| Infrastructure transfers | - | 115 000 | 40 384 | 87 570 | 44 261 | 44 261 | 148 400 | 110 820 | 53 869 |
| Infrastructure transfers: Current | - | - | - | 50 881 | - | - | - | - | - |
| Infrastructure transfers: Capital | - | 115 000 | 40 384 | 36 689 | 44 261 | 44 261 | 148 400 | 110 820 | 53 869 |
| Infrastructure: Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure: Leases | - | - | - | - | - | - | - | - | - |
| Total | 11 022 | 116 009 | 47 183 | 202 756 | 108 720 | 108 720 | 160 900 | 110 820 | 53 869 |
| <i>Capital infrastructure</i> | 11 022 | 116 009 | 47 183 | 141 824 | 108 720 | 108 720 | 160 900 | 110 820 | 53 869 |
| <i>Current infrastructure</i> | - | - | - | 60 932 | - | - | - | - | - |

The category *New infrastructure assets: Capital* relates to the Social and Economic Amenities programme. The asset constructed is owned by the department until handed over to the municipality. The decrease from the 2014/15 Main to Adjusted Appropriation is due to delays in projects, namely Umziki and Stepmore under the Harry Gwala Cluster. The department has terminated the contractor appointed and is in process of appointing new contractors. The allocation in 2015/16 is for the finalisation of projects such as Stepmore, Maguswana, Umziki and Task Valley. After the completion of these projects in 2015/16, the Social and Economic Amenities programme will not continue, hence there is no allocation in the two outer years of the 2015/16 MTEF.

Infrastructure transfers: Current: This budget relates to transfers to the eThekweni Metro for maintenance to pre-1994 housing stock, e.g. Lamontville. These funds are transferred in terms of an agreement signed by the department and the eThekweni Metro for the rectification of these properties. As previously mentioned, following an audit finding, this funding, which was part of the KZN Housing Fund, needs to be treated as *Transfers and subsidies to: Departmental agencies and accounts*, and the history has therefore been restated, accounting for no amounts in the columns, apart from the original budget in the 2014/15 Main Appropriation.

Infrastructure transfers: Capital comprises transfers in respect of the CRU programme and operational costs of the accredited municipalities. The decrease from 2012/13 to 2013/14 relates to transfers made for the CRU programme during 2012/13 and no transfers were made in 2013/14 due to delays in the approval process of projects within the eThekweni Metro. In 2013/14, the department made transfers in respect of operational costs for accredited municipalities. The increase from the 2014/15 Main to Adjusted Appropriation relates to the operational costs of the accredited municipalities due to the increase in the performance by municipalities as evidenced by high expenditure in the capital projects during the financial year. The increase from 2015/16 onward is mainly due to the provision made for the transfer of funds for the CRU to the eThekweni Metro, and the department will review the agreement in 2015/16.

5.6 Summary of Public Private Partnerships – Nil

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

Table 8.9 presents a summary of departmental transfers to national public entities listed in terms of Schedule 3 of the PFMA.

Table 8.9 : Summary of departmental transfers to public entities

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|----------------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| National Housing Finance Corporation | - | - | - | 20 000 | - | - | - | - | - |
| Social Housing Regulatory Authority | - | 134 477 | - | - | - | 932 | - | - | - |
| Total | - | 134 477 | - | 20 000 | - | 932 | - | - | - |

The allocation to the NHFC was reduced from the 2014/15 Main to Adjusted Appropriation due to challenges with identified pilot projects which did not meet the policy requirements. The reduction to zero budget over the MTEF is mainly due to the reason given above and also the department is implementing some Finance Linked Individual Subsidy Programme (FLISP) projects.

The 2012/13 spending relates to transfers to SHRA for implementing the social housing programme. The reduction from 2013/14 onward is mainly due to the non-allocation to SHRA as a result of the fact that the entity has not yet fully spent the allocation that was transferred to them since 2012/13, as previously explained. The amount in the 2014/15 Revised Estimate relates to costs incurred by SHRA after the return of unspent funds by the entity to the department. This expenditure is for costs incurred by the Strategic Programme Management (Booster) team appointed by SHRA, but which had never been paid.

5.8 Transfers to other entities

Table 8.10 presents a summary of departmental transfers to other entities. The department is funding the KZN Housing Fund which has been dis-established and is no longer a listed public entity in terms of Section 47(2) of the PFMA. These allocations were previously made from all categories within Programme 4 but, following an A-G finding, are now made from *Transfers and subsidies to: Departmental agencies and accounts*, as corrected in the 2014/15 Adjusted Appropriation. The historical data prior to 2014/15 has been restated for comparative purposes.

Table 8.10 : Summary of departmental transfers to other entities

| R thousand | Sub-programme | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|------------------|--------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| KZN Housing Fund | All sub-progs in Prog. 4 | 185 566 | 185 091 | 167 940 | - | 148 530 | 148 530 | 168 980 | 198 500 | 209 878 |
| Total | | 185 566 | 185 091 | 167 940 | - | 148 530 | 148 530 | 168 980 | 198 500 | 209 878 |

5.9 Transfers to local government

Tables 8.11 and 8.12 below illustrate departmental transfers to local government by category and by grant name, respectively. Details of these transfers are given in the *Annexure – Vote 8: Human Settlements*. Transfers to local government include funds in respect of motor vehicle licences. These funds will not be transferred to any municipality and, hence, the amounts are not reflected in Tables 8.11 and 8.12.

Table 8.11 : Summary of departmental transfers to local government by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------|-----------------|----------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Category A | - | 95 000 | 21 787 | 73 664 | 14 670 | 35 316 | 118 228 | 75 820 | 18 869 |
| Category B | - | 20 000 | 18 597 | 28 406 | 29 591 | 22 152 | 30 172 | 35 000 | 35 000 |
| Category C | - | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | 115 000 | 40 384 | 102 070 | 44 261 | 57 468 | 148 400 | 110 820 | 53 869 |

Table 8.12 : Summary of departmental transfers to local government by grant name

| R thousand | Sub-programme | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---------------------------------|----------------------------|-----------------|----------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|---------------|
| | | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Accreditation of municipalities | 3.2 Financial Intervention | - | - | 40 384 | 36 689 | 44 261 | 57 468 | 48 400 | 50 820 | 53 869 |
| CRU programme | 3.4 Social & Rent Int. | - | 115 000 | - | - | - | - | 100 000 | 60 000 | - |
| Municipal rates and taxes | 4.3 Housing Prop. Main. | - | - | - | 14 500 | - | - | - | - | - |
| Maintenance of R293 hostels | 4.3 Prop. Main & 4.2 Sale | - | - | - | 50 881 | - | - | - | - | - |
| Total | | - | 115 000 | 40 384 | 102 070 | 44 261 | 57 468 | 148 400 | 110 820 | 53 869 |

Transfers to municipalities relate to the CRU programme (Category A), municipal rates and taxes (Categories A and B), accreditation of municipalities (Categories A and B), maintenance of R293 hostels (Category A), and EEDBS (Category A).

Category A: The CRU programme is geared toward providing a coherent approach to dealing with different forms of public residential accommodation. It enables the department to provide secure and stable rental tenure for lower income persons in good locations, and forms the basis for transition to the formal housing market. During 2011/12, no transfers were made due to delays in the approval process of projects within municipalities. As previously explained, the department signed a three-year agreement with the eThekweni Metro for the CRU programme, ending in 2014/15. However, there is no allocation in 2014/15 due to the slow spending in the eThekweni Metro in respect of the funds transferred in 2012/13, and the department will review the agreement in year.

Categories A and B: The department was providing transfers for municipal rates and taxes, maintenance of R293 hostels for the eThekweni Metro, Ugu, uMgungundlovu, Uthukela, Umzinyathi, Amajuba and uThungulu municipalities. These transfers were reclassified as the department was providing funding to the KZN Housing Fund for all activities relating to the management and maintenance of housing properties. As previously mentioned, following an audit finding, this funding needs to be treated as *Transfers and subsidies to: Departmental agencies and accounts*, and thus does not form part of the departmental transfers to local government.

5.10 Transfers and subsidies

Table 8.13 below provides a summary of transfers and subsidies per programme, as explained briefly below the table.

Table 8.13 : Summary of transfers and subsidies by programme and main category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 565 | 1 654 | 2 109 | 265 | 2 141 | 2 141 | 860 | 902 | 937 |
| Provinces and municipalities | 62 | 145 | 56 | 265 | 215 | 215 | 280 | 295 | 300 |
| Motor vehicle licences | 62 | 145 | 56 | 265 | 215 | 215 | 280 | 295 | 300 |
| Departmental agencies and accounts | - | - | 752 | - | 706 | 706 | - | - | - |
| PSETA | - | - | 752 | - | 706 | 706 | - | - | - |
| Households | 503 | 1 509 | 1 301 | - | 1 220 | 1 220 | 580 | 607 | 637 |
| Bursaries (Non-employees) | 503 | 1 509 | 1 301 | - | 1 108 | 1 108 | 580 | 607 | 637 |
| Social benefits and other transfers | - | - | - | - | 112 | 112 | - | - | - |
| 2. Housing Needs, Research and Planning | - | 45 | - | - | - | - | - | - | - |
| Households | - | 45 | - | - | - | - | - | - | - |
| Social benefits | - | 45 | - | - | - | - | - | - | - |
| 3. Housing Development | 2 631 424 | 2 933 528 | 3 144 131 | 3 000 827 | 3 038 629 | 3 029 902 | 3 014 623 | 3 182 375 | 3 385 804 |
| Provinces and municipalities | - | 115 000 | 40 391 | 36 689 | 44 261 | 57 480 | 148 400 | 110 820 | 53 869 |
| CRU programme | - | 115 000 | 6 963 | - | - | - | 100 000 | 60 000 | - |
| Accreditation of municipalities | - | - | 33 421 | 36 689 | 44 261 | 57 468 | 48 400 | 50 820 | 53 869 |
| Claims against the state | - | - | 7 | - | - | 12 | - | - | - |
| Departmental agencies and accounts | - | 134 477 | - | 20 000 | - | 932 | - | - | - |
| SHRA | - | 134 477 | - | - | - | 932 | - | - | - |
| NHFC | - | - | - | 20 000 | - | - | - | - | - |
| Households | 2 631 424 | 2 684 051 | 3 103 740 | 2 944 138 | 2 994 368 | 2 971 490 | 2 866 223 | 3 071 555 | 3 331 935 |
| Vulindlela, Comubia, Shallcross, etc. | 2 629 063 | 2 655 556 | 3 103 660 | 2 943 838 | 2 994 021 | 2 971 148 | 2 866 223 | 3 071 555 | 3 331 935 |
| Housing Disaster Relief grant | 2 361 | 27 637 | - | - | - | - | - | - | - |
| Social benefits | - | 858 | 80 | 300 | 347 | 342 | - | - | - |
| 4. Housing Assets Mgt, Property Management | 185 566 | 185 091 | 167 940 | 86 377 | 148 530 | 148 530 | 168 980 | 198 500 | 209 878 |
| Provinces and municipalities | - | - | - | 65 381 | - | - | - | - | - |
| Main. of R293 prop. and EEDBS | - | - | - | 50 881 | - | - | - | - | - |
| Municipal rates and taxes | - | - | - | 14 500 | - | - | - | - | - |
| Departmental agencies and accounts | 185 566 | 185 091 | 167 940 | - | 148 530 | 148 530 | 168 980 | 198 500 | 209 878 |
| KZN Housing Fund | 185 566 | 185 091 | 167 940 | - | 148 530 | 148 530 | 168 980 | 198 500 | 209 878 |
| Households | - | - | - | 20 996 | - | - | - | - | - |
| Rectification of pre-1994 housing | - | - | - | 20 500 | - | - | - | - | - |
| Social benefits | - | - | - | 496 | - | - | - | - | - |
| Total | 2 817 555 | 3 120 318 | 3 314 180 | 3 087 469 | 3 189 300 | 3 180 573 | 3 184 463 | 3 381 777 | 3 596 619 |

The various trends in each programme are as follows:

- *Provinces and municipalities* in Programme 1 relates to the payment of motor vehicle licence fees. The amounts against *Households* pertain to staff exit costs and bursaries paid to external students.
- Also in Programme 1, it should be noted that the department no longer transfers funds to the Public Service Sector Education and Training Authority (PSETA) in line with a National Treasury Circular of 10 July 2014, which indicated that national departments applied for the creation of a single transfer to PSETA through DPSA. The result of this is that departments do not have to transfer funds to PSETA, unless such transfers are meant for a different purpose.
- Spending against *Households* in Programme 2 in 2012/13 relates to staff exist costs.
- *Provinces and municipalities* in Programme 3 relates to programmes funded from the HSDG but implemented at the municipal level such as the CRU programme, and operational costs of accredited municipalities. The department signed a three-year agreement with the eThekweni Metro for the CRU programme, ending in 2014/15, however, there is no allocation in 2014/15 due to the slow spending in the eThekweni Metro in respect of the funds transferred in 2012/13, as previously mentioned.
- Spending against *Departmental agencies and accounts* in Programme 3 pertains to the transfers to SHRA and NHFC. The decrease from 2014/15 onward is mainly due to the non-allocation to SHRA as a result of the fact that the entity has not yet fully spent the allocation that was transferred to them since 2012/13. The allocation to the NHFC was also reduced significantly due to challenges that were experienced with the identified pilot projects which did not meet the policy requirements. As previously explained, the department is also implementing some of the FLISP related projects, hence the reduction.
- *Households* in Programme 3 relates mainly to the HSDG projects. As evidenced by the table above, most funding of the department is allocated within this category. The projects funded from the Housing Disaster Relief grant are also budgeted for here. Also included in this category are costs relating to staff exits. Note that, as previously mentioned, the department will receive an additional R236 million for the HSDG in 2014/15, to be formalised in the second Adjustments Estimate in March 2015, but this is not included in the table above.
- With regard to *Departmental agencies and accounts* in Programme 4, from 2014/15 onward, the department undertook the reclassification of allocations from various economic classifications within Programme 4 which relates to the department providing funding to the KZN Housing Fund for all activities relating to the management and maintenance of housing properties. The funding had previously been budgeted for under various economic classifications instead of *Departmental agencies and accounts*. This is in compliance with an A-G finding and GRAP requirements, whereby the activities of the fund must be paid *via* a transfer, and not form part of the Vote. The marked decrease in 2013/14 relates to funding to the eThekweni Metro for the CRU programme with the Metro showing slow spending in respect of the funds transferred in 2012/13, and the department deciding to withhold further transfers until the spending improves. The decrease from the 2014/15 Main to Adjusted Appropriation relates to the rectification of the pre-1994 housing stock programme (properties owned by the department) in Austerville and Shallcross. The pilot phase was delayed due to changes in specification of the project and some social issues. There is a steady increase over the 2015/16 MTEF to cater for the maintenance of housing properties.

6. Programme description

The services rendered by this department are categorised under four programmes, which conforms to the uniform budget and programme structure for the Human Settlements sector.

The payments and budgeted estimates for each of these programmes are summarised below, details of which are presented in the *Annexure to Vote 8 – Human Settlements*.

6.1 Programme 1: Administration

The purpose of this programme is to identify and eliminate bottle-necks, as well as continuously improve the flow of financial, administrative and management information. The strategic objectives of this programme are to strengthen governance and service delivery. The programme provides for only one sub-programme, namely Corporate Services.

Tables 8.14 and 8.15 reflect a summary of payments and estimates for the period 2011/12 to 2017/18.

Table 8.14 : Summary of payments and estimates by sub-programme: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Corporate Services | 133 940 | 151 366 | 163 986 | 184 669 | 184 394 | 184 394 | 193 378 | 203 629 | 213 810 |
| Total | 133 940 | 151 366 | 163 986 | 184 669 | 184 394 | 184 394 | 193 378 | 203 629 | 213 810 |
| Unauth. Exp. (1st charge) not available for spending | (9 303) | - | - | - | - | - | - | - | - |
| Baseline available for spending after 1st charge | 124 637 | 151 366 | 163 986 | 184 669 | 184 394 | 184 394 | 193 378 | 203 629 | 213 810 |

Table 8.15 : Summary of payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 120 448 | 138 463 | 153 932 | 178 168 | 174 167 | 174 096 | 189 376 | 199 730 | 209 755 |
| Compensation of employees | 65 190 | 76 102 | 90 922 | 107 989 | 102 646 | 102 646 | 117 774 | 126 893 | 135 999 |
| Goods and services | 55 258 | 62 361 | 63 006 | 70 179 | 71 520 | 71 449 | 71 602 | 72 837 | 73 756 |
| Interest and rent on land | - | - | 4 | - | 1 | 1 | - | - | - |
| Transfers and subsidies to: | 565 | 1 654 | 2 109 | 265 | 2 141 | 2 141 | 860 | 902 | 937 |
| Provinces and municipalities | 62 | 145 | 56 | 265 | 215 | 215 | 280 | 295 | 300 |
| Departmental agencies and accounts | - | - | 752 | - | 706 | 706 | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 503 | 1 509 | 1 301 | - | 1 220 | 1 220 | 580 | 607 | 637 |
| Payments for capital assets | 3 624 | 11 231 | 7 883 | 6 236 | 7 588 | 7 456 | 3 142 | 2 997 | 3 118 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 3 624 | 10 896 | 7 661 | 6 236 | 7 588 | 7 456 | 3 142 | 2 997 | 3 118 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | 335 | 222 | - | - | - | - | - | - |
| Payments for financial assets | 9 303 | 18 | 62 | - | 498 | 701 | - | - | - |
| Total | 133 940 | 151 366 | 163 986 | 184 669 | 184 394 | 184 394 | 193 378 | 203 629 | 213 810 |
| Unauth. Exp. (1st charge) not available for spending | (9 303) | - | - | - | - | - | - | - | - |
| Baseline available for spending after 1st charge | 124 637 | 151 366 | 163 986 | 184 669 | 184 394 | 184 394 | 193 378 | 203 629 | 213 810 |

In terms of Section 34(2) of the PFMA, and in line with SCOPA Resolution 19 of 2010, the department is liable for the repayment of over-expenditure from 2006/07 to 2008/09, resulting in a first charge of R18.606 million, split over two years. The first instalment of R9.303 million was implemented against the 2010/11 budget, and the second instalment of the same amount was implemented in 2011/12. The second instalment amount is reflected under Programme 1, against *Payments for financial assets*, and the amount available for spending in 2011/12 was reduced by this charge.

The overall increase from 2011/12 to 2013/14 was attributed to inflationary increases. The minor decrease from the 2014/15 Main to the Adjusted Appropriation is related to the previous years' irregular expenditure which was not approved by Cabinet. The increase over the 2015/16 MTEF is to cater for wage agreements and inflationary adjustments, as well as the filling of critical vacant posts.

The decrease against *Compensation of employees* from the 2014/15 Main to the Adjusted Appropriation is due to delays in the filling of budgeted vacant posts, caused by challenges in constituting short listing and interview panels as available members are often over committed in their activities as a result of capacity challenges. The increase over the 2015/16 MTEF caters for the filling of critical budgeted vacant posts.

The increase from the 2014/15 Main to Adjusted Appropriation against *Goods and services* relates to the development and implementation of an IT strategy which is necessitated by a need to upgrade the website of the department, as well as improve document and records management, among others, and also the development of a Business Continuity plan which identifies a number of high risk areas which need to be attended to urgently. The department also made provision for costs associated with the decentralisation of core functions, such as housing delivery, to districts. Growth over the 2015/16 MTEF is for inflationary purposes only.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences. The fluctuating trend from 2011/12 to 2013/14 relates to delays in receiving accounts from the Department of Transport.

The expenditure in 2013/14 and 2014/15 against *Transfers and subsidies to: Departmental agencies and accounts* relates to transfers to PSETA affiliation costs. The department was required to set aside 30 per cent of 1 per cent of the *Compensation of employees* budget for training, and pay over to the PSETA in terms of the Skills Development Act. However, in line with National Treasury Circular of 10 July 2014, national departments applied for the creation of a single transfer to PSETA through DPSA. The result of this is that departments do not have to transfer funds to PSETA from 2015/16 onward, unless such transfers are meant for a different purpose, hence there is no budget in this regard over the MTEF.

The fluctuating trend against *Transfers and subsidies to: Households* over the seven years relates to staff exit costs. Most of the excess staff that were on the department's pay-roll have taken voluntary severance packages over the past years. There are no allocations over the 2015/16 MTEF as a result of the difficulty in budgeting for this category due to its uncertain nature.

Machinery and equipment shows a fluctuating trend from 2011/12 to 2017/18. The allocation relates to the replacement of motor vehicles, as well as purchasing of new motor vehicles for districts as the department has decentralised its offices. Also, the purchasing of vehicles is cyclical in nature.

The spending against *Software and other intangible assets* relates to the purchase of various software packages in 2012/13 and 2013/14.

Payments for financial assets relates to the write-off of staff debts in terms of the departmental write-off policy in 2012/13 and 2013/14. The amount of R9.303 million in 2011/12 relates to the second instalment of the first charge implemented against the department's budget, as previously explained.

6.2 Programme 2: Housing Needs, Research and Planning

The purpose of this programme is to develop tools to guide the department's investment decisions and to provide policy and support to the housing delivery process. In addition, the programme provides for the facilitation and integration of housing sector planning, education of stakeholders in housing sector planning, alignment of the housing budget with the current and future housing needs, and the capacitation of housing stakeholders for housing delivery through mentorship and training.

Programme 2 consists of four sub-programmes, in line with the uniform budget and programme structure of the Human Settlements sector, namely Administration, Policy, Planning and Research.

Tables 8.16 and 8.17 below illustrate payments and budgeted estimates from 2011/12 to 2017/18.

Table 8.16 : Summary of payments and estimates by sub-programme: Housing Needs, Research and Planning

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 1 149 | 1 353 | 1 374 | 2 170 | 1 093 | 1 093 | 1 205 | 1 294 | 1 359 |
| 2. Policy | 3 166 | 3 603 | 3 695 | 3 917 | 3 721 | 3 721 | 3 580 | 3 843 | 4 035 |
| 3. Planning | 3 490 | 3 386 | 3 124 | 3 649 | 3 922 | 3 922 | 4 285 | 4 617 | 4 848 |
| 4. Research | 4 188 | 5 481 | 5 922 | 7 419 | 7 419 | 7 419 | 8 006 | 8 545 | 8 972 |
| Total | 11 993 | 13 823 | 14 115 | 17 155 | 16 155 | 16 155 | 17 076 | 18 299 | 19 214 |

Table 8.17 : Summary of payments and estimates by economic classification: Housing Needs, Research and Planning

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 11 993 | 13 772 | 14 038 | 17 055 | 16 063 | 16 063 | 17 026 | 18 299 | 19 214 |
| Compensation of employees | 10 004 | 10 486 | 11 496 | 13 044 | 12 172 | 12 172 | 12 905 | 13 965 | 15 033 |
| Goods and services | 1 989 | 3 286 | 2 542 | 4 011 | 3 891 | 3 891 | 4 121 | 4 334 | 4 181 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | - | 45 | - | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | 45 | - | - | - | - | - | - | - |
| Payments for capital assets | - | 6 | 77 | 100 | 85 | 85 | 50 | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | 6 | 77 | 100 | 85 | 85 | 50 | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | 7 | 7 | - | - | - |
| Total | 11 993 | 13 823 | 14 115 | 17 155 | 16 155 | 16 155 | 17 076 | 18 299 | 19 214 |

There is a steady increase in the sub-programme: Administration from 2011/12 to 2013/14. The decrease from the 2014/15 Main to Adjusted Appropriation is a result of the decision taken to fill the post of the General Manager: Planning and Development on a contractual basis using the OPSCAP programme in the HSDG, due to the fact that the responsibilities pertaining to this post relate directly to service delivery and the HSDG. The increase over the MTEF is mainly to cater for the filling of critical budgeted vacant posts.

There is a steady increase in the sub-programme: Policy from 2011/12 to 2013/14. The decrease from the 2014/15 Main to Adjusted Appropriation is due to the Senior Manager position that was vacated during the year and will now be filled using the administration portion of the HSDG under Programme 3. The budget grows steadily over the 2015/16 MTEF to cater for the filling of critical funded vacant posts.

There is a decreasing trend in the sub-programme: Planning from 2011/12 to 2013/14. The decrease from 2011/12 to 2012/13 is due to a Deputy Manager position being funded from the administration portion of the HSDG in Programme 3. The increase from the 2014/15 Main to Adjusted Appropriation was for costs relating to travelling and subsistence which were under projected. The budget grows steadily over the 2015/16 MTEF to cater for the filling of critical funded vacant posts.

There is a steady increase in the sub-programme: Research from 2011/12 to 2013/14. The budget grows steadily in 2014/15 and over the 2015/16 MTEF to cater for the filling of critical funded vacant posts, as well as the implementation of capacity building programmes such as training of *Amakhosi* and housing consumer training.

With regard to *Compensation of employees*, provision has been made over the MTEF for the filling of critical funded vacant posts, as well as for anticipated inflationary increases. The decrease from the 2014/15 Main to Adjusted Appropriation as a result of the decision taken to fill the post of the General Manager: Planning and Development on a contractual basis utilising the OPSCAP programme in the HSDG, due to the fact that the responsibilities pertaining to this post relate directly to service delivery and the HSDG, as mentioned previously.

With regard to *Goods and services*, the increase in 2012/13 relates mainly to the Youth Summit on the housing function which was hosted during the year. This once-off funding accounts for the decrease in 2013/14. The decrease from the 2014/15 Main to Adjusted Appropriation is due to the provision made for the administration costs related to the post of General Manager, as explained above. The budget grows steadily over the 2015/16 MTEF to cater for the filling of critical funded vacant posts, as well as the implementation of capacity building programmes for the training of *Amakhosi* and housing consumers.

The fluctuating trend against *Machinery and equipment* relates to cost-cutting and the fact that the department purchases machinery and equipment on a cyclical basis.

Service delivery measures – Programme 2: Housing Needs, Research and Planning

Table 8.18 below reflects the main service delivery measures pertaining to Programme 2.

Note that there are no current generic measures for this sector, but the department is largely following the sector measures from the previous year. It must also be noted that some of the outputs and performance indicators descriptions have been changed in line with the department's 2015/16 APP.

Table 8.18 : Service delivery measures – Programme 2 : Housing Needs, Research and Planning

| Outputs | | Performance indicators | Estimated performance | Medium-term targets | | | |
|-----------------|---|---|-----------------------|---------------------|---------|---------|--|
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| Planning | | | | | | | |
| 1.1 | Improved planning to achieve integrated settlement developments | • A multi-year development plan developed by October each year | 1 | 1 | 1 | 1 | |
| | | • No. of planned human settlements developments approved based on IDPs and national and provincial priorities | 27 | 100% | 100% | 100% | |
| | | • No. of municipalities capacitated and supported with regard to human settlement development planning | 23 | 40 | 40 | 40 | |
| | | • No. of projects aligned with the Small Town Regeneration programme | 1 | 1 | 1 | 1 | |
| | | • No. of municipalities capacitated on accreditation | 7 | 7 | 7 | 7 | |
| Policy/Research | | | | | | | |
| 1.2 | Improved planning to achieve integrated settlement developments | • No. of research projects approved | 3 | 5 | 5 | 5 | |
| | | • No. of research papers completed | 7 | 5 | 5 | 5 | |
| | | • No. of policy guidelines approved | 2 | 6 | 6 | 6 | |

6.3 Programme 3: Housing Development

This programme is responsible for the implementation and monitoring of housing delivery within all districts including the eThekweni Metro, through various subsidy mechanisms in terms of national and provincial policies.

This programme has a number of projects at various stages of implementation within each municipality. It is also expected to achieve certain key strategic objectives of the department through the implementation of projects using various subsidy instruments. The subsidy instruments implemented by the department are: individual, project linked, institutional, consolidation, relocation, disaster management, social housing, rectification, social and economic facilities and rural housing stock.

Programme 3 consists of the Housing Disaster Relief grant and the bulk of the HSDG, the remainder of which falls under Programme 4.

Tables 8.19 and 8.20 illustrate a summary of payments and budgeted estimates from 2011/12 to 2017/18.

This programme has increased significantly from 2011/12 to 2014/15 due to increases in the HSDG. The department was allocated the Housing Disaster Relief grant in 2011/12 (of which a portion was rolled over to 2012/13) only, adding to the increases over these years. Note that, the HSDG will receive additional funding of R236 million in 2014/15, being funding re-allocated from Limpopo Province, and to be formalised in the second Adjustments Estimate in March 2015. This amount is not included in Tables 8.19 and 8.20. Note also that the HSDG is marginally reduced in 2015/16 and 2016/17, partly due to the fiscal consolidation effects, as well as funds being reprioritised from all provinces to the HDA, as mentioned.

This programme is aligned to the departmental conditional grant business plan, which contains a list of all projects that are to be implemented.

Table 8.19 : Summary of payments and estimates by sub-programme: Housing Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|------------------------------------|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 56 041 | 86 914 | 71 354 | 77 871 | 78 871 | 78 871 | 81 678 | 85 987 | 90 286 |
| 2. Financial Interventions | 648 339 | 535 382 | 444 529 | 733 751 | 489 652 | 489 652 | 546 735 | 644 001 | 682 641 |
| 3. Incremental Interventions | 961 162 | 864 574 | 1 104 695 | 1 278 232 | 1 287 587 | 1 107 587 | 1 452 364 | 1 489 411 | 1 578 776 |
| 4. Social and Rental Interventions | 142 563 | 348 699 | 60 205 | 33 186 | 83 606 | 83 606 | 246 500 | 256 725 | 272 129 |
| 5. Rural Intervention | 902 891 | 1 191 922 | 1 590 178 | 1 090 490 | 1 333 648 | 1 513 648 | 877 974 | 879 528 | 944 550 |
| Total | 2 710 996 | 3 027 491 | 3 270 961 | 3 213 530 | 3 273 364 | 3 273 364 | 3 205 251 | 3 355 652 | 3 568 382 |

Table 8.20 : Summary of payments and estimates by economic classification: Housing Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 68 247 | 92 728 | 119 691 | 146 768 | 165 078 | 173 805 | 177 386 | 172 522 | 181 913 |
| Compensation of employees | 60 206 | 78 881 | 99 630 | 123 375 | 124 257 | 127 250 | 132 571 | 141 146 | 152 154 |
| Goods and services | 8 041 | 13 847 | 19 953 | 23 393 | 40 821 | 46 555 | 44 815 | 31 376 | 29 759 |
| Interest and rent on land | - | - | 108 | - | - | - | - | - | - |
| Transfers and subsidies to: | 2 631 424 | 2 933 528 | 3 144 131 | 3 000 827 | 3 038 629 | 3 029 902 | 3 014 623 | 3 182 375 | 3 385 804 |
| Provinces and municipalities | - | 115 000 | 40 391 | 36 689 | 44 261 | 57 480 | 148 400 | 110 820 | 53 869 |
| Departmental agencies and accounts | - | 134 477 | - | 20 000 | - | 932 | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 2 631 424 | 2 684 051 | 3 103 740 | 2 944 138 | 2 994 368 | 2 971 490 | 2 866 223 | 3 071 555 | 3 331 935 |
| Payments for capital assets | 11 325 | 1 235 | 7 088 | 65 935 | 69 620 | 69 620 | 13 242 | 755 | 665 |
| Buildings and other fixed structures | 11 022 | 1 009 | 6 799 | 64 670 | 64 459 | 64 459 | 12 500 | - | - |
| Machinery and equipment | 303 | 226 | 289 | 1 265 | 4 736 | 4 736 | 742 | 755 | 665 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | 425 | 425 | - | - | - |
| Payments for financial assets | - | - | 51 | - | 37 | 37 | - | - | - |
| Total | 2 710 996 | 3 027 491 | 3 270 961 | 3 213 530 | 3 273 364 | 3 273 364 | 3 205 251 | 3 355 652 | 3 568 382 |

The increase in the sub-programme: Administration from 2011/12 to 2012/13 is a result of the equitable share expenditure incurred to supplement the administration portion of the HSDG due to spending pressures in the grant. The increase from the 2014/15 Main to Adjusted Appropriation was to cater for the post of Senior Manager: Strategic Housing Support which was identified as one of the critical posts to be filled within the programme. The sub-programme reflects a steady increase over the 2015/16 MTEF, due to provision made for the filling of critical funded vacant posts and inflationary increases.

The high spending in 2011/12 relates to the purchase of land for future housing projects mainly in the eThekweni Metro and Ilembe District, and to a lesser degree in 2012/13, and this accounts for the decreasing trend from 2011/12 to 2013/14 against the Financial Interventions sub-programme. The decrease from the 2014/15 Main to Adjusted Appropriation was due to provision made for the procurement of land, which did not occur because of a number of challenges that were encountered in various districts, such as delays in the finalisation of valuations, the funding for land acquisition was approved but the land owners are demanding more than the market value of the property, etc. The department is focusing on acquiring more land for housing projects in 2015/16, while the focus from 2016/17 onward will mainly be on the implementation of projects.

The fluctuating trend in the Incremental Interventions sub-programme from 2011/12 to 2013/14 was mainly due to some projects reaching finalisation stage and other new projects being implemented within the HSDG. The increase from the 2014/15 Main to Adjusted Appropriation is due to the acceleration of service delivery in projects related to Outcome 8, mainly under UISP. The increase over the MTEF mainly relates to the implementation of various projects.

There is a fluctuating trend against the sub-programme: Social and Rental Interventions from 2011/12 to 2013/14. The increase in 2012/13 related to the reallocation of funds returned by Thubelisha Homes for

the Ingwavuma Ministerial projects which was utilised for the implementation of social housing projects. The increase from the 2014/15 Main to Adjusted Appropriation is to cater for Hampshire, Hilltop and Hamptons Social Housing projects which were inadequately budgeted for. In addition, Jika Joe CRU was increased in order to address the urgent need of service delivery in that area. These projects are also contributing to Outcome 8 targets. The increase from 2015/16 onward is mainly due to the provision made for the transfer of funds for the CRU to the eThekweni Metro, and the department will review the agreement in year.

The increase in the sub-programme: Rural Intervention from 2011/12 and 2013/14 was due to the acceleration of rural housing projects. The increase from the 2014/15 Main to Adjusted Appropriation is related to the acceleration of rural housing. The allocation fluctuates over the 2015/16 MTEF due to some projects reaching finalisation stage and other new projects being implemented in the HSDG.

The strong growth against *Compensation of employees* from 2011/12 onward relates mainly to various wage agreements, as well as filling of vacant budgeted posts.

The increase against *Goods and services* from 2011/12 to 2013/14 was due to the Govan Mbeki Awards ceremony which was held during 2012/13, as well as increases in other operational items and also housing project launches and housing summits. The increase from the 2014/15 Main to Adjusted Appropriation relates to the fast-tracking of housing project launches which were under-budgeted. Housing projects involved included Sibongile Bufferstrip, Umzumbe OSS, Khula Village, Mandlankala and Gobandlovu. The decreasing trend over the 2015/16 MTEF relates to the ongoing implementation of cost-cutting measures, in line with fiscal consolidation.

Interest and rent on land pertains to interest paid on overdue accounts in 2013/14. The department did not pay these accounts on time as illegal cession agreements were entered into by service providers implementing the Social and Economic Amenities programme, as previously explained.

The decrease against *Transfers and subsidies to: Provinces and municipalities* from 2012/13 to 2013/14 relates to transfers made for the CRU programme during 2012/13 and no transfers being made in 2013/14 due to delays in the approval process of projects within the eThekweni Metro. The increase from the 2014/15 Main to Adjusted Appropriation relates to the operational costs of the accredited municipalities due to the increase in the performance by municipalities as evidenced by high spending in capital projects during the year. The increase from 2015/16 onward is mainly due to the provision made for the transfer of funds for the CRU to the eThekweni Metro, and the department will review the agreement in-year.

The allocation against *Transfers and subsidies to: Departmental agencies and accounts* in 2012/13 relates to transfers made to SHRA for the implementation of the social housing programme. The allocation to the NHFC was reduced from the 2014/15 Main to Adjusted Appropriation due to challenges that were experienced with the identified pilot projects which did not meet the policy requirements. The further reduction over 2015/16 MTEF is mainly due to the above-mentioned challenges and, also, the department is implementing some FLISP related projects itself.

Transfers and subsidies to: Households shows an increasing trend from 2011/12 to 2013/14. This is due to the increase in the HSDG as the bulk of the housing programmes are budgeted for within this economic classification. The Housing Disaster Relief grant is also catered for within this classification. The increase from the 2014/15 Main to Adjusted Appropriation was due to the acceleration of service delivery for projects related mainly to Outcome 8 targets under the UISP. The increase over the 2015/16 MTEF is in line with the increased allocation for the HSDG. Note that the previously mentioned additional R236 million in HSDG funding to be allocated in the second Adjustments Estimate in March 2015 is not included in the table, but will be largely allocated to this category. Note also that the previously mentioned fiscal consolidation cuts in 2015/16 and 2016/17 have marginally reduced growth in this category.

Buildings and other fixed structures is mainly related to the Social and Economic Amenities programme. The fluctuating trend from 2011/12 to 2013/14 is as a result of the programme being put on hold due to a number of challenges which necessitated that investigations and forensic audits be conducted on the programme. It must, however, be noted that the challenges experienced on the programme were dealt with during 2013/14. The slight decrease from the 2014/15 Main to Adjusted Appropriation and Revised

Estimate relates to the delay in one of the projects at Umziki and Stepmore under the Harry Gwala Cluster. The department has terminated the contract of the contractor appointed and is in process of appointing new contractors. In 2015/16, funding is allocated for the finalisation of the Social and Economic Amenities programmes which will form part of the project in future.

The fluctuating *Machinery and equipment* trend over the seven-year period relates to the fact that the department purchases machinery and equipment on a cyclical basis, coupled with cost-cutting.

Service delivery measures – Programme 3: Housing Development

Table 8.21 below reflects the main service delivery measures pertaining to Programme 3. Note that there are no current generic measures for this sector. However, the department is largely following the sector measures from the previous year. Some of the outputs and performance indicator descriptions have been changed in line with the department's 2015/16 APP.

Table 8.21 : Service delivery measures – Programme 3: Housing Development

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | |
|--|---|-----------------------|---------------------|---------|---------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 1.1 Individual non-credit linked subsidy programme | • No. of houses completed | 1 043 | - | - | - |
| 1.2 Finance linked individual subsidy programme | • No. of houses | 217 | 350 | 400 | 420 |
| 1.3 Informal settlements upgrade programme | • No. of households connected to basic services (including PLS) | 2 630 | 3 246 | 5 191 | 5 808 |
| | • No. of houses completed | 6 576 | 5 277 | 4 441 | 5 904 |
| 1.4 Integrated Development programme | • No. of new sites connected to basic water and sanitation services | 2 116 | 3 469 | 1 550 | 1 814 |
| | • No. of houses completed | 997 | 2 866 | 3 610 | 3 748 |
| 1.5 Peoples' housing process | • No. of houses completed | 2 827 | 2 520 | 2 400 | 2 400 |
| 1.6 Disaster mgt rehabilitation (inclusive of OSS) | • No. of houses completed | 1 731 | 2 985 | 1952 | 690 |
| 1.7 Rectification programme (1994-2002) | • No. of units rectified | 1 029 | 1 186 | 1 588 | 2 032 |
| 1.8 Affordable social housing | • No. of units completed | 440 | - | 400 | 500 |
| 1.9 Community Residential Units | • No. of units upgraded | 173 | 463 | 955 | 895 |
| | • No. of units completed | 247 | 650 | 638 | 50 |
| 1.10 Rural housing | • No. of houses completed | 16 190 | - | - | - |
| 1.11 Job creation | • No. of work opportunities created through related programmes | 13 168 | 8 452 | 9 556 | 11 259 |
| 1.12 Access to land and densification | • No. of hectares of well-located land procured | 252 | 513 | 330 | 1 128 |
| 1.13 All subsidy instruments | • No. of properties transferred | 2 950 | 5 681 | 7 749 | 9 668 |
| | • No. of beneficiaries approved | 35 000 | 14 225 | 8 453 | 12 760 |
| | • No. of serviced sites delivered per human settlements (housing) programme | 4 746 | 8 885 | 8 851 | 9 742 |
| | • No. of new housing units completed in the province across all housing programmes being utilised by the province | 27 270 | 23 233 | 23 974 | 26 036 |

6.4 Programme 4: Housing Asset Management, Property Management

This programme is responsible for the management of Ex-Natal Provincial Administration and Own Affairs stock. This stock includes residential properties, vacant land and a variety of other non-residential properties, all of which belong to the KZN Housing Fund. In terms of its mandate, all properties will, on a progressive basis, either be transferred to individual occupants in terms of the EEDBS, or be disposed of in the open market. Some of these properties will also be devolved to municipalities. In cases where a transfer is not possible, such stock will remain rental stock. The KZN Housing Fund is in the process of being dis-established and, once this process is finalised, all assets and liabilities will be transferred to the Vote.

Programme 4 consists of three sub-programmes, largely in line with the uniform budget and programme structure of the sector. These are: Administration, Sale and Transfer of Housing Properties and Housing Properties Maintenance.

Tables 8.22 and 8.23 give a summary of payments and budgeted estimates pertaining to this programme. The overall MTEF allocation for this programme shows the effects of the implementation of the EEDBS policy, as explained in greater detail below.

From 2014/15 onward, the department undertook the reclassification of allocations from various economic classifications within Programme 4 which relates to the department providing funding to the KZN Housing Fund for all activities relating to the management and maintenance of housing properties. The funding had previously been budgeted for under various economic classifications instead of *Transfers and subsidies to: Departmental agencies and accounts*. This is in compliance with an A-G finding and GRAP standards, whereby the activities of the fund must be paid *via* a transfer, and must not form part of the Vote.

Table 8.22 : Summary of payments and estimates by sub-programme: Housing Asset Management, Property Management

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 67 667 | 48 257 | 58 304 | 47 542 | 47 542 | 47 542 | 50 498 | 53 208 | 55 868 |
| 2. Sale and Transfer of Housing Properties | 1 105 | 5 085 | 241 | 989 | 662 | 662 | 1 289 | 1 329 | 1 409 |
| 3. Housing Properties Maintenance | 116 794 | 131 749 | 109 395 | 136 397 | 100 326 | 100 326 | 117 193 | 143 963 | 152 601 |
| Total | 185 566 | 185 091 | 167 940 | 184 928 | 148 530 | 148 530 | 168 980 | 198 500 | 209 878 |

Table 8.23 : Summary of payments and estimates by economic classification: Housing Asset Management, Property Management

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | - | - | 57 814 | - | - | - | - | - |
| Compensation of employees | - | - | - | 45 183 | - | - | - | - | - |
| Goods and services | - | - | - | 12 631 | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 185 566 | 185 091 | 167 940 | 86 377 | 148 530 | 148 530 | 168 980 | 198 500 | 209 878 |
| Provinces and municipalities | - | - | - | 65 381 | - | - | - | - | - |
| Departmental agencies and accounts | 185 566 | 185 091 | 167 940 | - | 148 530 | 148 530 | 168 980 | 198 500 | 209 878 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | 20 996 | - | - | - | - | - |
| Payments for capital assets | - | - | - | 40 737 | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | 40 465 | - | - | - | - | - |
| Machinery and equipment | - | - | - | 272 | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 185 566 | 185 091 | 167 940 | 184 928 | 148 530 | 148 530 | 168 980 | 198 500 | 209 878 |

The fluctuations in the sub-programme: Administration from 2011/12 to 2013/14 were due to voluntary severance packages paid to officials who left the public service in 2011/12 and 2013/14. The increase in 2014/15 and over the 2015/16 MTEF is to cater for wage agreements and inflationary adjustments, as well as the filling of critical vacant posts.

The increase against the sub-programme: Sale and Transfer of Housing Properties from 2011/12 to 2012/13 was a result of a transfer made to the Metro in respect of the EEDBS programme. The decrease from the 2014/15 Main to Adjusted Appropriation is due to delays by the State Attorneys that were transferring properties to beneficiaries on behalf of the department. Allocations over the 2015/16 MTEF are a result of provisions made to fast-track the transfer of properties through the EEDBS programme.

There is a fluctuating trend against the sub-programme: Housing Properties Maintenance. In 2011/12 to 2012/13, the department transferred funds to the eThekweni Metro in respect of the maintenance of R293 towns. Further transfers were made to the Metro in respect of rectification of pre-1994 housing stock in 2012/13. The decrease from the 2014/15 Main to Adjusted Appropriation relates to the rectification of pre-1994 housing stock programme (properties owned by the department) in Austerville and Shallcross. The pilot phase was delayed due to changes in specification of the project and some social issues. There is a steady increase over the 2015/16 MTEF to cater for the maintenance of housing properties.

Service delivery measures – Programme 4: Housing Asset Management, Property Management

Table 8.24 reflects the main service delivery measures pertaining to Programme 4. Note that there are no current generic measures for this sector. However, the department is largely following the sector measures from the previous year. Some of the outputs and performance indicators descriptions have been changed in line with the department's 2015/16 APP.

Table 8.24 : Service delivery measures – Programme 4: Housing Asset Management, Property Management

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | |
|--|--|-----------------------|---------------------|---------|---------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 1. To provide secure tenure to communities | • No. of units maintained | 3 000 | 1 500 | 1 500 | 1 500 |
| | • No. of rectified and or upgraded for pre-1994 units | 2 000 | 1 087 | 1 128 | 1 198 |
| | • No. of rental units transferred | 858 | - | - | - |
| | • No. of land parcels devolved to municipalities in terms of section 15 of the Housing Act, 1997 | - | 16 | - | - |

7. Other programme information

7.1 Personnel numbers and costs

Tables 8.25 and 8.26 below illustrate personnel numbers and estimates pertaining to the department over the seven-year period.

The personnel numbers show a fluctuating trend from 2011/12 to 2013/14, mainly as a result of excess staff who took severance packages during these years. The increases in 2014/15 and over the 2015/16 MTEF relate to anticipated appointments in line with identified critical posts within the department.

The number of contract workers rises substantially from 2012/13 due to the appointment of staff, such as quantity surveyors, planners, and project managers with the technical skills required to oversee various aspects of housing projects. The reduction from 2014/15 is because these contract workers could not be appointed permanently due to shortage of funds within the equitable share allocation.

Note that, the personnel cost decreases in both tables in the 2014/15 Adjusted Appropriation due to the previously mentioned amendment to Programme 4 where funding had previously been budgeted for under various economic classifications instead of *Transfers and subsidies to: Departmental agencies and accounts*. Although the funding has been moved accordingly, the staff are still held against the establishment of the department, hence no concomitant drop in staff numbers.

Table 8.25 : Personnel numbers and costs by programme

| 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 | 249 | 259 | 276 | 281 | 357 | 357 | 357 |
| 2. Housing Needs, Research and Planning | 28 | 28 | 30 | 29 | 28 | 29 | 29 |
| 3. Housing Development | 177 | 208 | 250 | 276 | 307 | 307 | 307 |
| 4. Housing Asset Management, Property Management | 286 | 239 | 216 | 178 | 182 | 196 | 196 |
| Total | 740 | 734 | 772 | 764 | 874 | 889 | 889 |
| Total personnel cost (R thousand) | 135 400 | 165 469 | 202 048 | 242 068 | 263 250 | 282 004 | 303 186 |
| Unit cost (R thousand) | 183 | 225 | 262 | 317 | 301 | 317 | 341 |

Table 8.26 : Summary of departmental personnel numbers and costs by component

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Total for the department | | | | | | | | | |
| Personnel numbers (head count) | 740 | 734 | 772 | 764 | 764 | 764 | 874 | 889 | 889 |
| Personnel cost (R thousands) | 135 400 | 165 469 | 202 048 | 289 591 | 239 075 | 242 068 | 263 250 | 282 004 | 303 186 |
| Human resources component | | | | | | | | | |
| Personnel numbers (head count) | 76 | 61 | 66 | 73 | 73 | 73 | 75 | 70 | 70 |
| Personnel cost (R thousands) | 12 180 | 14 811 | 14 895 | 21 258 | 21 258 | 21 258 | 24 970 | 26 767 | 28 699 |
| Head count as % of total for department | 10.27 | 8.31 | 8.55 | 9.55 | 9.55 | 9.55 | 8.58 | 7.87 | 7.87 |
| Personnel cost as % of total for department | 9.00 | 8.95 | 7.37 | 7.34 | 8.89 | 8.78 | 9.49 | 9.49 | 9.47 |
| Finance component | | | | | | | | | |
| Personnel numbers (head count) | 92 | 107 | 127 | 138 | 138 | 138 | 123 | 123 | 123 |
| Personnel cost (R thousands) | 24 345 | 29 986 | 36 475 | 40 656 | 40 656 | 40 656 | 44 921 | 48 448 | 52 054 |
| Head count as % of total for department | 12.43 | 14.58 | 16.45 | 18.06 | 18.06 | 18.06 | 14.07 | 13.84 | 13.84 |
| Personnel cost as % of total for department | 17.98 | 18.12 | 18.05 | 14.04 | 17.01 | 16.80 | 17.06 | 17.18 | 17.17 |
| Full time workers | | | | | | | | | |
| Personnel numbers (head count) | 682 | 584 | 592 | 609 | 609 | 609 | 732 | 740 | 734 |
| Personnel cost (R thousands) | 126 246 | 122 513 | 144 655 | 241 616 | 191 100 | 194 093 | 193 985 | 206 849 | 220 436 |
| Head count as % of total for department | 92.16 | 79.56 | 76.68 | 79.71 | 79.71 | 79.71 | 83.75 | 83.24 | 82.56 |
| Personnel cost as % of total for department | 93.24 | 74.04 | 71.59 | 83.43 | 79.93 | 80.18 | 73.69 | 73.35 | 72.71 |
| Part-time workers | | | | | | | | | |
| Personnel numbers (head count) | - | - | - | - | - | - | - | - | - |
| Personnel cost (R thousands) | - | - | - | - | - | - | - | - | - |
| Head count as % of total for department | - | - | - | - | - | - | - | - | - |
| Personnel cost as % of total for department | - | - | - | - | - | - | - | - | - |
| Contract workers | | | | | | | | | |
| Personnel numbers (head count) | 58 | 150 | 180 | 155 | 155 | 155 | 142 | 149 | 155 |
| Personnel cost (R thousands) | 9 154 | 42 956 | 57 393 | 47 975 | 47 975 | 47 975 | 69 265 | 75 155 | 82 750 |
| Head count as % of total for department | 7.84 | 20.44 | 23.32 | 20.29 | 20.29 | 20.29 | 16.25 | 16.76 | 17.44 |
| Personnel cost as % of total for department | 6.76 | 25.96 | 28.41 | 16.57 | 20.07 | 19.82 | 26.31 | 26.65 | 27.29 |

7.2 Training

Tables 8.27 and 8.28 give a summary of departmental spending and information on training for the period 2011/12 to 2013/14, estimated spending for 2014/15 and budgeted expenditure for the 2015/16 MTEF.

The amounts reflected relate mainly to project management, secretarial, financial management and computer training courses for staff.

The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. This requirement gives credence to government policy on human resource development. The department is largely abiding by this, exceeding the 1 per cent requirement in most years.

Table 8.27 : Payments on training by programme

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|------------|------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| R thousand | | | | | | | | | |
| 1. Administration | 249 | 416 | 418 | 2 352 | 1 116 | 1 116 | 2 721 | 2 897 | 3 123 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | 249 | 416 | 418 | 2 352 | 1 116 | 1 116 | 2 721 | 2 897 | 3 123 |
| 2. Housing Needs, Research and Planning | - | 21 | 443 | 525 | 197 | 197 | 669 | 669 | 669 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | - | 21 | 443 | 525 | 197 | 197 | 669 | 669 | 669 |
| 3. Housing Development | - | - | - | - | 120 | 116 | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | 120 | 116 | - | - | - |
| 4. Housing Asset Management, Property Management | - | - | - | - | - | - | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Total | 249 | 437 | 861 | 2 877 | 1 433 | 1 429 | 3 390 | 3 566 | 3 792 |

Table 8.28 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

The allocation for general training, such as computer training, secretarial courses, etc. for the department is centralised under Programme 1. There is provision for capacity building in Programme 2. There is a steady increase in the allocation over the seven-year period from 2011/12 to 2017/18.

Table 8.28 : Information on training: Human Settlements

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Number of staff | 740 | 734 | 772 | 764 | 764 | 764 | 874 | 889 | 889 |
| Number of personnel trained | 256 | 167 | 229 | 407 | 407 | 407 | 500 | 500 | 500 |
| of which | | | | | | | | | |
| Male | 107 | 75 | 104 | 162 | 162 | 162 | 200 | 200 | 200 |
| Female | 149 | 92 | 125 | 245 | 245 | 245 | 300 | 300 | 300 |
| Number of training opportunities | 10 | 9 | 14 | 21 | 29 | 29 | 28 | 30 | 35 |
| of which | | | | | | | | | |
| Tertiary | - | - | - | 3 | 1 | 1 | 1 | 1 | 1 |
| Workshops | 1 | 1 | 3 | 10 | 5 | 5 | 5 | 5 | 8 |
| Seminars | - | 1 | - | 5 | 2 | 2 | 1 | 2 | 3 |
| Other | 9 | 7 | 11 | 3 | 21 | 21 | 21 | 22 | 23 |
| Number of bursaries offered | 10 | 13 | - | 23 | - | - | 9 | 10 | 10 |
| Number of interns appointed | 23 | 42 | 59 | 15 | - | - | 22 | 22 | 22 |
| Number of learnerships appointed | 6 | 6 | - | 2 | - | - | 10 | 10 | 10 |
| Number of days spent on training | 24 | 40 | 64 | 60 | 85 | 85 | 80 | 86 | 90 |

ANNEXURE TO VOTE 8 – HUMAN SETTLEMENTS

Table 8.A : Details of departmental receipts: Human Settlements

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 474 | 469 | 434 | 477 | 477 | 807 | 534 | 562 | 590 |
| Sale of goods and services produced by dept. (excl. capital assets) | 474 | 469 | 434 | 477 | 477 | 807 | 534 | 562 | 590 |
| Sales by market establishments | 406 | 375 | 434 | 477 | 477 | 807 | 534 | 562 | 590 |
| Administrative fees | 68 | 94 | - | - | - | - | - | - | - |
| Sale of scrap, waste, arms and other used current goods (excl. capital assets) | - | - | - | - | - | - | - | - | - |
| Transfers received from: | - | - | - | - | - | - | - | - | - |
| Other governmental units | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments | - | - | - | - | - | - | - | - | - |
| International organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Households and non-profit institutions | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | (20) | 16 | 4 142 | 20 | 20 | 375 | 18 | 16 | 17 |
| Interest | (20) | 16 | 4 142 | 20 | 20 | 375 | 18 | 16 | 17 |
| Dividends | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | 160 | 530 | 19 | 480 | 480 | 480 | 500 | 520 | 546 |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Other capital assets | 160 | 530 | 19 | 480 | 480 | 480 | 500 | 520 | 546 |
| Transactions in financial assets and liabilities | 268 554 | 14 081 | 4 836 | 853 | 853 | 28 445 | 1 000 | 1 100 | 1 155 |
| Total | 269 168 | 15 096 | 9 431 | 1 830 | 1 830 | 30 107 | 2 052 | 2 198 | 2 308 |

Table 8.B : Payments and estimates by economic classification: Human Settlements

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 200 688 | 244 963 | 287 661 | 399 805 | 355 308 | 363 964 | 383 788 | 390 551 | 410 882 |
| Compensation of employees | 135 400 | 165 469 | 202 048 | 289 591 | 239 075 | 242 068 | 263 250 | 282 004 | 303 186 |
| Salaries and wages | 117 183 | 145 245 | 181 901 | 258 556 | 215 130 | 218 123 | 237 337 | 254 564 | 273 752 |
| Social contributions | 18 217 | 20 224 | 20 147 | 31 035 | 23 945 | 23 945 | 25 913 | 27 440 | 29 434 |
| Goods and services | 65 288 | 79 494 | 85 501 | 110 214 | 116 232 | 121 895 | 120 538 | 108 547 | 107 696 |
| Administrative fees | 12 | 5 | 438 | 329 | 478 | 431 | 556 | 590 | 579 |
| Advertising | 2 525 | 6 295 | 1 738 | 3 925 | 2 611 | 2 329 | 3 333 | 3 185 | 3 091 |
| Assets less than the capitalisation threshold | 88 | 605 | 928 | 1 105 | 1 414 | 1 329 | 942 | 910 | 857 |
| Audit cost: External | 3 529 | 3 876 | 4 620 | 5 675 | 5 208 | 5 208 | 5 800 | 6 000 | 6 046 |
| Bursaries: Employees | 79 | 125 | 326 | 150 | 150 | 150 | 200 | 220 | 225 |
| Catering: Departmental activities | 325 | 1 052 | 1 701 | 1 197 | 5 056 | 5 387 | 1 130 | 1 111 | 1 099 |
| Communication (G&S) | 5 271 | 5 421 | 6 861 | 7 657 | 7 487 | 7 484 | 7 564 | 7 815 | 7 429 |
| Computer services | 6 763 | 6 122 | 9 158 | 8 638 | 10 964 | 10 967 | 11 587 | 11 718 | 11 563 |
| Cons & prof serv: Business and advisory services | 361 | 433 | 1 292 | 8 051 | 3 990 | 5 520 | 6 828 | 5 947 | 4 433 |
| Cons & prof serv: Infras and planning | - | 175 | 686 | - | 1 830 | 2 310 | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 4 806 | 4 099 | 2 831 | 3 670 | 2 484 | 2 495 | 2 700 | 2 818 | 2 900 |
| Contractors | 128 | 468 | 396 | 1 530 | 1 727 | 2 191 | 13 444 | 300 | 312 |
| Agency and support / outsourced services | 795 | 193 | 79 | 551 | 290 | 280 | 462 | 460 | 447 |
| Entertainment | 13 | 33 | 4 | 74 | 32 | 32 | 67 | 70 | 70 |
| Fleet services (incl. govt motor transport) | 3 261 | 4 343 | 4 757 | 5 173 | 4 946 | 4 930 | 5 092 | 5 218 | 5 275 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 57 | 250 | - | 2 | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 59 | 69 | 31 | 136 | 92 | 95 | 128 | 134 | 124 |
| Inventory: Fuel, oil and gas | - | - | - | 150 | - | - | - | - | - |
| Inventory: Learner and teacher support material | 184 | 180 | 516 | 382 | 121 | 121 | 360 | 345 | 251 |
| Inventory: Materials and supplies | 4 | 57 | 432 | 2 644 | 189 | 248 | 79 | 81 | 81 |
| Inventory: Medical supplies | 197 | 421 | - | 372 | 184 | 184 | 14 | 13 | 12 |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | 98 | - | - | - | - | - | - | - |
| Consumable supplies | 3 | 89 | 69 | 495 | 407 | 532 | 347 | 364 | 405 |
| Consumable: Stationery, printing and office supplies | 981 | 1 388 | 1 290 | 1 727 | 1 485 | 1 485 | 1 599 | 1 718 | 1 586 |
| Operating leases | 19 545 | 19 514 | 21 317 | 21 379 | 23 319 | 22 868 | 21 391 | 21 599 | 22 096 |
| Property payments | 7 251 | 8 360 | 7 279 | 13 177 | 10 274 | 12 981 | 11 479 | 11 965 | 12 292 |
| Transport provided: Departmental activity | 51 | 121 | 500 | 210 | 4 208 | 3 862 | 150 | 150 | 150 |
| Travel and subsistence | 7 067 | 12 774 | 13 441 | 15 564 | 15 717 | 15 629 | 17 676 | 18 057 | 18 503 |
| Training and development | 249 | 437 | 861 | 2 877 | 1 433 | 1 429 | 3 390 | 3 566 | 3 792 |
| Operating payments | 580 | 941 | 1 795 | 1 309 | 2 283 | 2 738 | 1 575 | 1 672 | 1 587 |
| Venues and facilities | 1 161 | 1 772 | 1 982 | 1 717 | 4 992 | 5 817 | 2 545 | 2 421 | 2 391 |
| Rental and hiring | - | 28 | 116 | 100 | 2 861 | 2 861 | 100 | 100 | 100 |
| Interest and rent on land | - | - | 112 | - | 1 | 1 | - | - | - |
| Interest | - | - | 112 | - | 1 | 1 | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 2 817 555 | 3 120 318 | 3 314 180 | 3 087 469 | 3 189 300 | 3 180 573 | 3 184 463 | 3 381 777 | 3 596 619 |
| Provinces and municipalities | 62 | 115 145 | 40 447 | 102 335 | 44 476 | 57 695 | 148 680 | 111 115 | 54 169 |
| Provinces | 62 | 145 | 63 | 265 | 215 | 227 | 280 | 295 | 300 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 62 | 145 | 63 | 265 | 215 | 227 | 280 | 295 | 300 |
| Municipalities | - | 115 000 | 40 384 | 102 070 | 44 261 | 57 468 | 148 400 | 110 820 | 53 869 |
| Municipalities | - | 115 000 | 40 384 | 102 070 | 44 261 | 57 468 | 148 400 | 110 820 | 53 869 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 185 566 | 319 568 | 168 692 | 20 000 | 149 236 | 150 168 | 168 980 | 198 500 | 209 878 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 185 566 | 319 568 | 168 692 | 20 000 | 149 236 | 150 168 | 168 980 | 198 500 | 209 878 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 2 631 927 | 2 685 605 | 3 105 041 | 2 965 134 | 2 995 588 | 2 972 710 | 2 866 803 | 3 072 162 | 3 332 572 |
| Social benefits | 503 | 2 412 | 1 381 | 796 | 1 455 | 1 450 | 580 | 607 | 637 |
| Other transfers to households | 2 631 424 | 2 683 193 | 3 103 660 | 2 964 338 | 2 994 133 | 2 971 260 | 2 866 223 | 3 071 555 | 3 331 935 |
| Payments for capital assets | 14 949 | 12 472 | 15 048 | 113 008 | 77 293 | 77 161 | 16 434 | 3 752 | 3 783 |
| Buildings and other fixed structures | 11 022 | 1 009 | 6 799 | 105 135 | 64 459 | 64 459 | 12 500 | - | - |
| Buildings | - | - | - | 40 465 | - | - | - | - | - |
| Other fixed structures | 11 022 | 1 009 | 6 799 | 64 670 | 64 459 | 64 459 | 12 500 | - | - |
| Machinery and equipment | 3 927 | 11 128 | 8 027 | 7 873 | 12 409 | 12 277 | 3 934 | 3 752 | 3 783 |
| Transport equipment | 2 018 | 9 250 | 4 362 | 2 896 | 2 796 | 2 796 | 1 000 | 1 000 | 1 050 |
| Other machinery and equipment | 1 909 | 1 878 | 3 665 | 4 977 | 9 613 | 9 481 | 2 934 | 2 752 | 2 733 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | 335 | 222 | - | 425 | 425 | - | - | - |
| Payments for financial assets | 9 303 | 18 | 113 | - | 542 | 745 | - | - | - |
| Total | 3 042 495 | 3 377 771 | 3 617 002 | 3 600 282 | 3 622 443 | 3 622 443 | 3 584 685 | 3 776 080 | 4 011 284 |
| Unauth. Exp. (1st charge) not available for spending (9 303) | - | - | - | - | - | - | - | - | - |
| Baseline available for spending after 1st charge | 3 033 192 | 3 377 771 | 3 617 002 | 3 600 282 | 3 622 443 | 3 622 443 | 3 584 685 | 3 776 080 | 4 011 284 |

Table 8.C : Payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 120 448 | 138 463 | 153 932 | 178 168 | 174 167 | 174 096 | 189 376 | 199 730 | 209 755 |
| Compensation of employees | 65 190 | 76 102 | 90 922 | 107 989 | 102 646 | 102 646 | 117 774 | 126 893 | 135 999 |
| Salaries and wages | 55 341 | 64 987 | 80 203 | 94 394 | 89 133 | 89 133 | 102 799 | 111 008 | 119 000 |
| Social contributions | 9 849 | 11 115 | 10 719 | 13 595 | 13 513 | 13 513 | 14 975 | 15 885 | 16 999 |
| Goods and services | 55 258 | 62 361 | 63 006 | 70 179 | 71 520 | 71 449 | 71 602 | 72 837 | 73 756 |
| Administrative fees | 9 | 5 | 232 | 95 | 123 | 129 | 366 | 388 | 390 |
| Advertising | 1 975 | 4 417 | 1 015 | 2 390 | 1 613 | 1 607 | 1 355 | 1 180 | 1 106 |
| Assets less than the capitalisation threshold | 62 | 164 | 483 | 327 | 530 | 662 | 260 | 202 | 159 |
| Audit cost: External | 3 529 | 3 876 | 4 620 | 5 675 | 5 208 | 5 208 | 5 800 | 6 000 | 6 046 |
| Bursaries: Employees | 79 | 125 | 326 | 150 | 150 | 150 | 200 | 220 | 225 |
| Catering: Departmental activities | 102 | 437 | 181 | 394 | 346 | 346 | 300 | 263 | 251 |
| Communication (G&S) | 4 074 | 3 933 | 4 705 | 5 158 | 4 875 | 4 875 | 5 462 | 5 605 | 5 607 |
| Computer services | 6 024 | 5 439 | 8 406 | 7 811 | 10 085 | 10 085 | 10 680 | 10 721 | 10 751 |
| Cons & prof serv: Business and advisory services | 146 | 208 | 151 | 376 | 541 | 541 | 281 | 240 | 226 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 4 230 | 4 091 | 2 829 | 2 150 | 2 350 | 2 350 | 2 700 | 2 818 | 2 900 |
| Contractors | 64 | 454 | 58 | 450 | 20 | 30 | 204 | 220 | 232 |
| Agency and support / outsourced services | 790 | 190 | 79 | 551 | 275 | 265 | 462 | 460 | 447 |
| Entertainment | 12 | - | 2 | 35 | - | - | 30 | 30 | 30 |
| Fleet services (incl. govt motor transport) | 3 261 | 4 343 | 4 757 | 5 173 | 4 668 | 4 668 | 5 092 | 5 218 | 5 275 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 11 | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 47 | 54 | 19 | 109 | 65 | 68 | 108 | 111 | 103 |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 177 | 152 | 456 | 241 | 64 | 64 | 233 | 212 | 173 |
| Inventory: Materials and supplies | 1 | 47 | 29 | 99 | 116 | 116 | 74 | 76 | 76 |
| Inventory: Medical supplies | 197 | 421 | - | 356 | 175 | 175 | 2 | 2 | 1 |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medias inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 3 | 73 | 62 | 120 | 213 | 213 | 96 | 106 | 92 |
| Consumable: Stationery, printing and office supplies | 780 | 1 232 | 1 176 | 1 447 | 1 276 | 1 276 | 1 343 | 1 474 | 1 387 |
| Operating leases | 19 315 | 19 222 | 20 816 | 20 868 | 22 750 | 22 271 | 21 014 | 21 121 | 21 622 |
| Property payments | 7 135 | 8 360 | 7 279 | 7 490 | 8 774 | 9 050 | 6 679 | 6 965 | 7 292 |
| Transport provided: Departmental activity | 13 | 116 | - | 110 | - | - | - | - | - |
| Travel and subsistence | 2 669 | 3 633 | 3 762 | 5 066 | 4 710 | 4 513 | 4 844 | 5 049 | 4 970 |
| Training and development | 249 | 416 | 418 | 2 352 | 1 116 | 1 116 | 2 721 | 2 897 | 3 123 |
| Operating payments | 235 | 316 | 1 046 | 566 | 1 336 | 1 530 | 856 | 949 | 972 |
| Venues and facilities | 80 | 634 | 80 | 620 | 138 | 138 | 440 | 310 | 300 |
| Rental and hiring | - | 3 | 8 | - | 3 | 3 | - | - | - |
| Interest and rent on land | - | - | 4 | - | 1 | 1 | - | - | - |
| Interest | - | - | 4 | - | 1 | 1 | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 565 | 1 654 | 2 109 | 265 | 2 141 | 2 141 | 860 | 902 | 937 |
| Provinces and municipalities | 62 | 145 | 56 | 265 | 215 | 215 | 280 | 295 | 300 |
| Provinces | 62 | 145 | 56 | 265 | 215 | 215 | 280 | 295 | 300 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 62 | 145 | 56 | 265 | 215 | 215 | 280 | 295 | 300 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | 752 | - | 706 | 706 | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | 752 | - | 706 | 706 | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 503 | 1 509 | 1 301 | - | 1 220 | 1 220 | 580 | 607 | 637 |
| Social benefits | 503 | 1 509 | 1 301 | - | 1 108 | 1 108 | 580 | 607 | 637 |
| Other transfers to households | - | - | - | - | 112 | 112 | - | - | - |
| Payments for capital assets | 3 624 | 11 231 | 7 883 | 6 236 | 7 588 | 7 456 | 3 142 | 2 997 | 3 118 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 3 624 | 10 896 | 7 661 | 6 236 | 7 588 | 7 456 | 3 142 | 2 997 | 3 118 |
| Transport equipment | 2 018 | 9 250 | 4 362 | 2 896 | 2 796 | 2 796 | 1 000 | 1 000 | 1 050 |
| Other machinery and equipment | 1 606 | 1 646 | 3 299 | 3 340 | 4 792 | 4 660 | 2 142 | 1 997 | 2 068 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | 335 | 222 | - | - | - | - | - | - |
| Payments for financial assets | 9 303 | 18 | 62 | - | 498 | 701 | - | - | - |
| Total | 133 940 | 151 366 | 163 986 | 184 669 | 184 394 | 184 394 | 193 378 | 203 629 | 213 810 |
| Unauth. Exp. (1st charge) not available for spending | (9 303) | - | - | - | - | - | - | - | - |
| Baseline available for spending after 1st charge | 124 637 | 151 366 | 163 986 | 184 669 | 184 394 | 184 394 | 193 378 | 203 629 | 213 810 |

Table 8.D : Payments and estimates by economic classification: Housing Needs, Research and Planning

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 11 993 | 13 772 | 14 038 | 17 055 | 16 063 | 16 063 | 17 026 | 18 299 | 19 214 |
| Compensation of employees | 10 004 | 10 486 | 11 496 | 13 044 | 12 172 | 12 172 | 12 905 | 13 965 | 15 033 |
| Salaries and wages | 8 592 | 9 130 | 10 053 | 11 344 | 10 444 | 10 444 | 11 386 | 12 332 | 13 294 |
| Social contributions | 1 412 | 1 356 | 1 443 | 1 700 | 1 728 | 1 728 | 1 519 | 1 633 | 1 739 |
| Goods and services | 1 989 | 3 286 | 2 542 | 4 011 | 3 891 | 3 891 | 4 121 | 4 334 | 4 181 |
| Administrative fees | 3 | - | 40 | 51 | 55 | 61 | 57 | 62 | 49 |
| Advertising | 24 | 194 | 6 | 378 | 258 | 252 | 181 | 193 | 193 |
| Assets less than the capitalisation threshold | - | 28 | - | 138 | 146 | 146 | 120 | 132 | 122 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 50 | 206 | 550 | 285 | 1 009 | 1 009 | 311 | 328 | 328 |
| Communication (G&S) | 186 | 149 | 266 | 288 | 215 | 212 | 220 | 240 | 237 |
| Computer services | 241 | 27 | - | - | - | 3 | - | - | - |
| Cons & prof serv: Business and advisory services | 87 | 2 | - | - | - | - | - | - | - |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 21 | - | - | - | - | - | - | - | - |
| Agency and support / outsourced services | 5 | 3 | - | - | - | - | - | - | - |
| Entertainment | 1 | 14 | - | 11 | 11 | 11 | 16 | 17 | 17 |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 5 | 7 | 3 | 4 | 9 | 9 | 5 | 5 | 3 |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 4 | 28 | 59 | 76 | 35 | 35 | 75 | 78 | 78 |
| Inventory: Materials and supplies | - | 3 | 1 | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | 4 | - | - | - | - | 6 | 6 |
| Consumable: Stationery, printing and office supplies | 54 | 42 | 23 | 48 | 37 | 37 | 69 | 48 | 28 |
| Operating leases | 66 | 84 | 128 | 86 | 169 | 179 | 55 | 104 | 99 |
| Property payments | (1) | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 710 | 2 410 | 959 | 2 024 | 1 727 | 1 717 | 2 212 | 2 341 | 2 261 |
| Training and development | - | 21 | 443 | 525 | 197 | 197 | 669 | 669 | 669 |
| Operating payments | - | - | 25 | - | 23 | 23 | 26 | - | - |
| Venues and facilities | 533 | 68 | 35 | 97 | - | - | 105 | 111 | 91 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | 45 | - | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | 45 | - | - | - | - | - | - | - |
| Social benefits | - | 45 | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | 6 | 77 | 100 | 85 | 85 | 50 | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | 6 | 77 | 100 | 85 | 85 | 50 | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | 6 | 77 | 100 | 85 | 85 | 50 | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | 7 | 7 | - | - | - |
| Total | 11 993 | 13 823 | 14 115 | 17 155 | 16 155 | 16 155 | 17 076 | 18 299 | 19 214 |

Table 8.E : Payments and estimates by economic classification: Housing Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 68 247 | 92 728 | 119 691 | 146 768 | 165 078 | 173 805 | 177 386 | 172 522 | 181 913 |
| Compensation of employees | 60 206 | 78 881 | 99 630 | 123 375 | 124 257 | 127 250 | 132 571 | 141 146 | 152 154 |
| Salaries and wages | 53 250 | 71 128 | 91 645 | 114 745 | 115 553 | 118 546 | 123 152 | 131 224 | 141 458 |
| Social contributions | 6 956 | 7 753 | 7 985 | 8 630 | 8 704 | 8 704 | 9 419 | 9 922 | 10 696 |
| Goods and services | 8 041 | 13 847 | 19 953 | 23 393 | 40 821 | 46 555 | 44 815 | 31 376 | 29 759 |
| Administrative fees | - | - | 166 | 135 | 300 | 241 | 133 | 140 | 140 |
| Advertising | 526 | 1 684 | 717 | 1 144 | 740 | 470 | 1 797 | 1 812 | 1 792 |
| Assets less than the capitalisation threshold | 26 | 413 | 445 | 584 | 738 | 521 | 562 | 576 | 576 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 173 | 409 | 970 | 518 | 3 701 | 4 032 | 519 | 520 | 520 |
| Communication (G&S) | 1 011 | 1 339 | 1 890 | 1 901 | 2 397 | 2 397 | 1 882 | 1 970 | 1 585 |
| Computer services | 498 | 656 | 752 | 752 | 879 | 879 | 907 | 997 | 812 |
| Cons & prof serv: Business and advisory services | 128 | 223 | 1 141 | 7 615 | 3 449 | 4 979 | 6 547 | 5 707 | 4 207 |
| Cons & prof serv: Infras and planning | - | 175 | 686 | - | 1 830 | 2 310 | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 576 | 8 | 2 | - | 134 | 145 | - | - | - |
| Contractors | 43 | 14 | 338 | 80 | 1 707 | 2 161 | 13 240 | 80 | 80 |
| Agency and support / outsourced services | - | - | - | - | 15 | 15 | - | - | - |
| Entertainment | - | 19 | 2 | 28 | 21 | 21 | 21 | 23 | 23 |
| Fleet services (incl. govt motor transport) | - | - | - | - | 278 | 262 | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 46 | 250 | - | 2 | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 7 | 8 | 9 | 7 | 18 | 18 | 15 | 18 | 18 |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 3 | - | 1 | 50 | 22 | 22 | 52 | 55 | - |
| Inventory: Materials and supplies | 3 | 7 | 402 | 5 | 73 | 132 | 5 | 5 | 5 |
| Inventory: Medical supplies | - | - | - | 16 | 9 | 9 | 12 | 11 | 11 |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | 98 | - | - | - | - | - | - | - |
| Consumable supplies | - | 16 | 3 | 11 | 194 | 319 | 251 | 252 | 307 |
| Consumable: Stationery, printing and office supplies | 147 | 114 | 91 | 168 | 172 | 172 | 187 | 196 | 171 |
| Operating leases | 164 | 208 | 373 | 351 | 400 | 418 | 322 | 374 | 375 |
| Property payments | 117 | - | - | 17 | 1 500 | 3 931 | 4 800 | 5 000 | 5 000 |
| Transport provided: Departmental activity | 38 | 5 | 500 | 100 | 4 208 | 3 862 | 150 | 150 | 150 |
| Travel and subsistence | 3 688 | 6 731 | 8 720 | 7 909 | 9 280 | 9 399 | 10 620 | 10 667 | 11 272 |
| Training and development | - | - | - | - | 120 | 116 | - | - | - |
| Operating payments | 345 | 625 | 724 | 652 | 924 | 1 185 | 693 | 723 | 615 |
| Venues and facilities | 548 | 1 070 | 1 867 | 1 000 | 4 854 | 5 679 | 2 000 | 2 000 | 2 000 |
| Rental and hiring | - | 25 | 108 | 100 | 2 858 | 2 858 | 100 | 100 | 100 |
| Interest and rent on land | - | - | 108 | - | - | - | - | - | - |
| Interest | - | - | 108 | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 2 631 424 | 2 933 528 | 3 144 131 | 3 000 827 | 3 038 629 | 3 029 902 | 3 014 623 | 3 182 375 | 3 385 804 |
| Provinces and municipalities | - | 115 000 | 40 391 | 36 689 | 44 261 | 57 480 | 148 400 | 110 820 | 53 869 |
| Provinces | - | - | 7 | - | - | 12 | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | 7 | - | - | 12 | - | - | - |
| Municipalities | - | 115 000 | 40 384 | 36 689 | 44 261 | 57 468 | 148 400 | 110 820 | 53 869 |
| Municipalities | - | 115 000 | 40 384 | 36 689 | 44 261 | 57 468 | 148 400 | 110 820 | 53 869 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | 134 477 | - | 20 000 | - | 932 | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | 134 477 | - | 20 000 | - | 932 | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 2 631 424 | 2 684 051 | 3 103 740 | 2 944 138 | 2 994 368 | 2 971 490 | 2 866 223 | 3 071 555 | 3 331 935 |
| Social benefits | - | 858 | 80 | 300 | 347 | 342 | - | - | - |
| Other transfers to households | 2 631 424 | 2 683 193 | 3 103 660 | 2 943 838 | 2 994 021 | 2 971 148 | 2 866 223 | 3 071 555 | 3 331 935 |
| Payments for capital assets | 11 325 | 1 235 | 7 088 | 65 935 | 69 620 | 69 620 | 13 242 | 755 | 665 |
| Buildings and other fixed structures | 11 022 | 1 009 | 6 799 | 64 670 | 64 459 | 64 459 | 12 500 | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | 11 022 | 1 009 | 6 799 | 64 670 | 64 459 | 64 459 | 12 500 | - | - |
| Machinery and equipment | 303 | 226 | 289 | 1 265 | 4 736 | 4 736 | 742 | 755 | 665 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 303 | 226 | 289 | 1 265 | 4 736 | 4 736 | 742 | 755 | 665 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | 425 | 425 | - | - | - |
| Payments for financial assets | - | - | 51 | - | 37 | 37 | - | - | - |
| Total | 2 710 996 | 3 027 491 | 3 270 961 | 3 213 530 | 3 273 364 | 3 273 364 | 3 205 251 | 3 355 652 | 3 568 382 |

Table 8.F : Payments and estimates by economic classification: Housing Asset Management, Property Management

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | - | - | 57 814 | - | - | - | - | - |
| Compensation of employees | - | - | - | 45 183 | - | - | - | - | - |
| Salaries and wages | - | - | - | 38 073 | - | - | - | - | - |
| Social contributions | - | - | - | 7 110 | - | - | - | - | - |
| Goods and services | - | - | - | 12 631 | - | - | - | - | - |
| Administrative fees | - | - | - | 48 | - | - | - | - | - |
| Advertising | - | - | - | 13 | - | - | - | - | - |
| Assets less than the capitalisation threshold | - | - | - | 56 | - | - | - | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | - | - | - | - | - | - | - | - |
| Communication (G&S) | - | - | - | 310 | - | - | - | - | - |
| Computer services | - | - | - | 75 | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | - | - | - | 60 | - | - | - | - | - |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | 1 520 | - | - | - | - | - |
| Contractors | - | - | - | 1 000 | - | - | - | - | - |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | 16 | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | 150 | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | 15 | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | 2 540 | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medias inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | - | 364 | - | - | - | - | - |
| Consumable: Stationery, printing and office supplies | - | - | - | 64 | - | - | - | - | - |
| Operating leases | - | - | - | 74 | - | - | - | - | - |
| Property payments | - | - | - | 5 670 | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | - | - | - | 565 | - | - | - | - | - |
| Training and development | - | - | - | - | - | - | - | - | - |
| Operating payments | - | - | - | 91 | - | - | - | - | - |
| Venues and facilities | - | - | - | - | - | - | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 185 566 | 185 091 | 167 940 | 86 377 | 148 530 | 148 530 | 168 980 | 198 500 | 209 878 |
| Provinces and municipalities | - | - | - | 65 381 | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | 65 381 | - | - | - | - | - |
| Municipalities | - | - | - | 65 381 | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 185 566 | 185 091 | 167 940 | - | 148 530 | 148 530 | 168 980 | 198 500 | 209 878 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 185 566 | 185 091 | 167 940 | - | 148 530 | 148 530 | 168 980 | 198 500 | 209 878 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | 20 996 | - | - | - | - | - |
| Social benefits | - | - | - | 496 | - | - | - | - | - |
| Other transfers to households | - | - | - | 20 500 | - | - | - | - | - |
| Payments for capital assets | - | - | - | 40 737 | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | 40 465 | - | - | - | - | - |
| Buildings | - | - | - | 40 465 | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | 272 | - | - | - | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | - | - | 272 | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 185 566 | 185 091 | 167 940 | 184 928 | 148 530 | 148 530 | 168 980 | 198 500 | 209 878 |

Table 8.G : Payments and estimates by economic classification: Conditional grants

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 12 221 | 6 654 | 48 464 | 81 002 | 86 827 | 86 827 | 95 950 | 86 790 | 91 792 |
| Compensation of employees | 10 262 | 500 | 38 575 | 55 137 | 55 137 | 55 137 | 59 492 | 64 132 | 69 134 |
| Salaries and wages | 10 262 | 500 | 38 575 | 55 137 | 55 137 | 55 137 | 59 492 | 64 132 | 69 134 |
| Social contributions | - | - | - | - | - | - | - | - | - |
| Goods and services | 1 959 | 6 154 | 9 781 | 25 865 | 31 690 | 31 690 | 36 458 | 22 658 | 22 658 |
| Administrative fees | - | - | 75 | - | 191 | 191 | - | - | - |
| Advertising | 392 | 1 021 | 395 | 900 | 584 | 584 | 1 591 | 1 591 | 1 591 |
| Assets less than the capitalisation threshold | 14 | 366 | 231 | 450 | 532 | 532 | 450 | 450 | 450 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 171 | 305 | 576 | 500 | 3 689 | 3 689 | 500 | 500 | 500 |
| Communication (G&S) | - | 25 | 131 | 250 | 644 | 644 | 250 | 250 | 250 |
| Computer services | - | - | 11 | 75 | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | 119 | 223 | 1 138 | 7 615 | 3 449 | 3 449 | 6 547 | 5 707 | 4 207 |
| Cons & prof serv: Infras and planning | - | 175 | 686 | - | 1 830 | 1 830 | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | 1 | 1 520 | 131 | 131 | - | - | - |
| Contractors | 43 | 3 | 264 | 1 080 | 1 674 | 1 674 | 13 240 | 80 | 80 |
| Agency and support / outsourced services | - | - | - | - | 15 | 15 | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | 278 | 278 | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 45 | 250 | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | 1 | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | 150 | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | 149 | 2 540 | 71 | 71 | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | 98 | - | - | - | - | - | - | - |
| Consumable supplies | - | - | - | 85 | 154 | 154 | 250 | 250 | 250 |
| Consumable: Stationery, printing and office supplies | - | - | 25 | - | 34 | 34 | - | - | - |
| Operating leases | - | - | 1 | - | 14 | 14 | - | - | - |
| Property payments | - | - | - | 5 670 | 1 500 | 1 500 | 4 800 | 5 000 | 5 000 |
| Transport provided: Departmental activity | 31 | 5 | 220 | 100 | 4 208 | 4 208 | 150 | 150 | 150 |
| Travel and subsistence | 736 | 3 265 | 4 761 | 3 500 | 4 728 | 4 728 | 6 500 | 6 500 | 8 000 |
| Training and development | - | - | - | - | 120 | 120 | - | - | - |
| Operating payments | 20 | 39 | 50 | 80 | 132 | 132 | 80 | 80 | 80 |
| Venues and facilities | 433 | 604 | 966 | 1 000 | 4 854 | 4 854 | 2 000 | 2 000 | 2 000 |
| Rental and hiring | - | 25 | 55 | 100 | 2 858 | 2 858 | 100 | 100 | 100 |
| Interest and rent on land | - | - | 108 | - | - | - | - | - | - |
| Interest | - | - | 108 | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 2 751 684 | 3 097 175 | 3 253 711 | 3 086 408 | 3 080 547 | 3 080 547 | 3 133 105 | 3 327 667 | 3 539 814 |
| Provinces and municipalities | - | 115 000 | 40 384 | 102 070 | 44 261 | 44 261 | 148 400 | 110 820 | 53 869 |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | 115 000 | 40 384 | 102 070 | 44 261 | 44 261 | 148 400 | 110 820 | 53 869 |
| Municipalities | - | 115 000 | 40 384 | 102 070 | 44 261 | 44 261 | 148 400 | 110 820 | 53 869 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 117 899 | 271 311 | 109 636 | 20 000 | 100 988 | 100 988 | 118 482 | 145 292 | 154 010 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | 117 899 | 271 311 | 109 636 | 20 000 | 100 988 | 100 988 | 118 482 | 145 292 | 154 010 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 2 633 785 | 2 710 864 | 3 103 691 | 2 964 338 | 2 935 298 | 2 935 298 | 2 866 223 | 3 071 555 | 3 331 935 |
| Social benefits | - | 34 | 31 | - | 111 | 111 | - | - | - |
| Other transfers to households | 2 633 785 | 2 710 830 | 3 103 660 | 2 964 338 | 2 935 187 | 2 935 187 | 2 866 223 | 3 071 555 | 3 331 935 |
| Payments for capital assets | 11 310 | 1 219 | 7 068 | 105 635 | 105 671 | 105 671 | 13 000 | 500 | 500 |
| Buildings and other fixed structures | 11 022 | 1 009 | 6 799 | 105 135 | 100 857 | 100 857 | 12 500 | - | - |
| Buildings | - | - | - | 40 465 | - | - | - | - | - |
| Other fixed structures | 11 022 | 1 009 | 6 799 | 64 670 | 100 857 | 100 857 | 12 500 | - | - |
| Machinery and equipment | 288 | 210 | 269 | 500 | 4 389 | 4 389 | 500 | 500 | 500 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 288 | 210 | 269 | 500 | 4 389 | 4 389 | 500 | 500 | 500 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | 425 | 425 | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 2 775 215 | 3 105 048 | 3 309 243 | 3 273 045 | 3 273 045 | 3 273 045 | 3 242 055 | 3 414 957 | 3 632 106 |

Table 8.H : Payments and estimates by economic classification: Human Settlements Development grant - Programme 3

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 12 221 | 6 654 | 48 464 | 69 962 | 86 827 | 86 827 | 89 370 | 86 790 | 91 792 |
| Compensation of employees | 10 262 | 500 | 38 575 | 55 137 | 55 137 | 55 137 | 59 492 | 64 132 | 69 134 |
| Salaries and wages | 10 262 | 500 | 38 575 | 55 137 | 55 137 | 55 137 | 59 492 | 64 132 | 69 134 |
| Social contributions | - | - | - | - | - | - | - | - | - |
| Goods and services | 1 959 | 6 154 | 9 781 | 14 825 | 31 690 | 31 690 | 29 878 | 22 658 | 22 658 |
| Administrative fees | - | - | 75 | - | 191 | 191 | - | - | - |
| Advertising | 392 | 1 021 | 395 | 900 | 584 | 584 | 1 591 | 1 591 | 1 591 |
| Assets less than the capitalisation threshold | 14 | 366 | 231 | 450 | 532 | 532 | 450 | 450 | 450 |
| Catering: Departmental activities | 171 | 305 | 576 | 500 | 3 689 | 3 689 | 500 | 500 | 500 |
| Communication (G&S) | - | 25 | 131 | 250 | 644 | 644 | 250 | 250 | 250 |
| Computer services | - | - | 11 | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | 119 | 223 | 1 138 | 7 615 | 3 449 | 3 449 | 6 547 | 5 707 | 4 207 |
| Cons & prof serv: Infras and planning | - | 175 | 686 | - | 1 830 | 1 830 | - | - | - |
| Cons & prof serv: Legal costs | - | - | 1 | - | 131 | 131 | - | - | - |
| Contractors | 43 | 3 | 264 | 80 | 1 674 | 1 674 | 6 660 | 80 | 80 |
| Agency and support / outsourced services | - | - | - | - | 15 | 15 | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | 278 | 278 | - | - | - |
| Inventory: Clothing material and accessories | - | - | 45 | 250 | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | 1 | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | 149 | - | 71 | 71 | - | - | - |
| Inventory: Other supplies | - | 98 | - | - | - | - | - | - | - |
| Consumable supplies | - | - | - | - | 154 | 154 | 250 | 250 | 250 |
| Consumable: Stationery, printing and office supplies | - | - | 25 | - | 34 | 34 | - | - | - |
| Operating leases | - | - | 1 | - | 14 | 14 | - | - | - |
| Property payments | - | - | - | - | 1 500 | 1 500 | 4 800 | 5 000 | 5 000 |
| Transport provided: Departmental activity | 31 | 5 | 220 | 100 | 4 208 | 4 208 | 150 | 150 | 150 |
| Travel and subsistence | 736 | 3 265 | 4 761 | 3 500 | 4 728 | 4 728 | 6 500 | 6 500 | 8 000 |
| Training and development | - | - | - | - | 120 | 120 | - | - | - |
| Operating payments | 20 | 39 | 50 | 80 | 132 | 132 | 80 | 80 | 80 |
| Venues and facilities | 433 | 604 | 966 | 1 000 | 4 854 | 4 854 | 2 000 | 2 000 | 2 000 |
| Rental and hiring | - | 25 | 55 | 100 | 2 858 | 2 858 | 100 | 100 | 100 |
| Interest and rent on land | - | - | 108 | - | - | - | - | - | - |
| Interest | - | - | 108 | - | - | - | - | - | - |
| Transfers and subsidies to | 2 631 424 | 2 932 704 | 3 144 075 | 3 000 527 | 2 979 559 | 2 979 559 | 3 014 623 | 3 182 375 | 3 385 804 |
| Provinces and municipalities | - | 115 000 | 40 384 | 36 689 | 44 261 | 44 261 | 148 400 | 110 820 | 53 869 |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | 115 000 | 40 384 | 36 689 | 44 261 | 44 261 | 148 400 | 110 820 | 53 869 |
| Municipalities | - | 115 000 | 40 384 | 36 689 | 44 261 | 44 261 | 148 400 | 110 820 | 53 869 |
| Departmental agencies and accounts | - | 134 477 | - | 20 000 | - | - | - | - | - |
| Entities receiving funds | - | 134 477 | - | 20 000 | - | - | - | - | - |
| Households | 2 631 424 | 2 683 227 | 3 103 691 | 2 943 838 | 2 935 298 | 2 935 298 | 2 866 223 | 3 071 555 | 3 331 935 |
| Social benefits | - | 34 | 31 | - | 111 | 111 | - | - | - |
| Other transfers to households | 2 631 424 | 2 683 193 | 3 103 660 | 2 943 838 | 2 935 187 | 2 935 187 | 2 866 223 | 3 071 555 | 3 331 935 |
| Payments for capital assets | 11 310 | 1 219 | 7 068 | 65 170 | 105 671 | 105 671 | 13 000 | 500 | 500 |
| Buildings and other fixed structures | 11 022 | 1 009 | 6 799 | 64 670 | 100 857 | 100 857 | 12 500 | - | - |
| Other fixed structures | 11 022 | 1 009 | 6 799 | 64 670 | 100 857 | 100 857 | 12 500 | - | - |
| Machinery and equipment | 288 | 210 | 269 | 500 | 4 389 | 4 389 | 500 | 500 | 500 |
| Other machinery and equipment | 288 | 210 | 269 | 500 | 4 389 | 4 389 | 500 | 500 | 500 |
| Software and other intangible assets | - | - | - | - | 425 | 425 | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 2 654 955 | 2 940 577 | 3 199 607 | 3 135 659 | 3 172 057 | 3 172 057 | 3 116 993 | 3 269 665 | 3 478 096 |

Table 8.I : Payments and estimates by economic classification: Housing Disaster Relief grant - Programme 3

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|---------------|----------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | - | - | - | - | - | - | - | - |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Goods and services | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 2 361 | 27 637 | - | - | - | - | - | - | - |
| Households | 2 361 | 27 637 | - | - | - | - | - | - | - |
| Other transfers to households | 2 361 | 27 637 | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 2 361 | 27 637 | - | - | - | - | - | - | - |

Table 8.J : Payments and estimates by economic classification: EPWP - Programme 3

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | - | - | - | - | - | 6 580 | - | - |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Goods and services | - | - | - | - | - | - | 6 580 | - | - |
| Contractors | - | - | - | - | - | - | 6 580 | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | 6 580 | - | - |

Table 8.K : Payments and estimates by economic classification: Human Settlements Development grant - Programme 4

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | - | - | 11 040 | - | - | - | - | - |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Goods and services | - | - | - | 11 040 | - | - | - | - | - |
| Computer services | - | - | - | 75 | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | 1 520 | - | - | - | - | - |
| Contractors | - | - | - | 1 000 | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | 150 | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | 2 540 | - | - | - | - | - |
| Consumable supplies | - | - | - | 85 | - | - | - | - | - |
| Property payments | - | - | - | 5 670 | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 117 899 | 136 834 | 109 636 | 85 881 | 100 988 | 100 988 | 118 482 | 145 292 | 154 010 |
| Provinces and municipalities | - | - | - | 65 381 | - | - | - | - | - |
| Municipalities | - | - | - | 65 381 | - | - | - | - | - |
| Municipalities | - | - | - | 65 381 | - | - | - | - | - |
| Departmental agencies and accounts | 117 899 | 136 834 | 109 636 | - | 100 988 | 100 988 | 118 482 | 145 292 | 154 010 |
| Entities receiving funds | 117 899 | 136 834 | 109 636 | - | 100 988 | 100 988 | 118 482 | 145 292 | 154 010 |
| Households | - | - | - | 20 500 | - | - | - | - | - |
| Other transfers to households | - | - | - | 20 500 | - | - | - | - | - |
| Payments for capital assets | - | - | - | 40 465 | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | 40 465 | - | - | - | - | - |
| Buildings | - | - | - | 40 465 | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 117 899 | 136 834 | 109 636 | 137 386 | 100 988 | 100 988 | 118 482 | 145 292 | 154 010 |

Table 8.L : Human Settlements - Payments of infrastructure by category

| Project name | Municipality / Region | Type of infrastructure | | Project duration | | Source of funding | Budget programme name | Targeted number of jobs for 2015/16 | Total project cost | Expenditure to date from previous years | Total available | | MTEF Forward estimates | |
|--|--------------------------|---|-------|------------------|---------------|----------------------|-----------------------------|--|-----------------------|---|-----------------|---------|---------------------------|--------|
| | | School - primary/ secondary/ specialised; admin block; water; electricity; sanitation/toilet; fencing etc. | Units | Date: Start | Date: Finish | | | | | | 2015/16 | 2016/17 | 2017/18 | |
| R thousands | | | | | | | | | | | | | | |
| Existing infrastructure assets | | | | | | | | - | - | - | - | - | - | - |
| New infrastructure assets: Capital | | | | | | | | - | - | - | 12 500 | - | - | - |
| <i>of which:</i> | | | | | | | | | | | | | | |
| Social and Economic Amenities | eThekweni | Parks, creche facilities, Taxi ranks and Community halls, etc. | - | 01 April 2015 | 31 March 2016 | HSDG | Programme 3 | - | - | - | 12 500 | - | - | - |
| Infrastructure transfers | | | | | | | | - | - | - | 148 400 | 110 820 | 53 869 | 53 869 |
| <i>of which:</i> | | | | | | | | - | - | - | - | - | - | - |
| Infrastructure transfers: Current | | | | | | | | - | - | - | - | - | - | - |
| Infrastructure transfers: Capital | | | | | | | | - | - | - | 148 400 | 110 820 | 53 869 | 53 869 |
| CRU programme | eThekweni | Hostels | - | 01 April 2015 | 31 March 2017 | HSDG | Programme 3 | - | - | - | 100 000 | 60 000 | - | - |
| Accreditation of municipalities | Various | Transfers to municipalities | - | 01 April 2015 | Ongoing | HSDG | Programme 3 | - | - | - | 48 400 | 50 820 | 53 869 | 53 869 |
| Infrastructure: Payments for financial assets | | | | | | | | | | | | | | |
| Infrastructure: Leases | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | |
| Capital infrastructure | | | | | | | | | | | 160 900 | 110 820 | 53 869 | 53 869 |
| Current infrastructure | | | | | | | | | | | 160 900 | 110 820 | 53 869 | 53 869 |

Table 8.M : Summary of transfers to local government

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | 95 000 | 21 787 | 73 664 | 14 670 | 35 316 | 118 228 | 75 820 | 18 869 |
| Total: Ugu Municipalities | - | - | - | 1 560 | 1 167 | - | 7 086 | 10 000 | 10 000 |
| B KZN211 Vulamehlo | - | - | - | - | - | - | - | - | - |
| B KZN212 Umdoni | - | - | - | 50 | - | - | - | - | - |
| B KZN213 Umzumbi | - | - | - | - | - | - | - | - | - |
| B KZN214 uMuziwabantu | - | - | - | - | - | - | - | - | - |
| B KZN215 Ezinqoleni | - | - | - | - | - | - | - | - | - |
| B KZN216 Hibiscus Coast | - | - | - | 1 510 | 1 167 | - | 7 086 | 10 000 | 10 000 |
| C DC21 Ugu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | - | 3 495 | 11 691 | 15 467 | 10 187 | 8 715 | 9 325 | 9 325 |
| B KZN221 uMshwathi | - | - | - | - | - | - | - | - | - |
| B KZN222 uMngeni | - | - | - | 5 | - | - | - | - | - |
| B KZN223 Mpofana | - | - | - | - | - | - | - | - | - |
| B KZN224 Impendle | - | - | - | - | - | - | - | - | - |
| B KZN225 Msunduzi | - | - | 3 495 | 11 671 | 15 467 | 10 187 | 8 715 | 9 325 | 9 325 |
| B KZN226 Mkhambathini | - | - | - | 15 | - | - | - | - | - |
| B KZN227 Richmond | - | - | - | - | - | - | - | - | - |
| C DC22 uMgungundlovu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Uthukela Municipalities | - | - | 865 | 1 930 | 3 250 | 654 | 3 696 | 5 000 | 5 000 |
| B KZN232 Ennambithi/Ladysmith | - | - | 865 | 1 922 | 3 250 | 654 | 3 696 | 5 000 | 5 000 |
| B KZN233 Indaka | - | - | - | - | - | - | - | - | - |
| B KZN234 Umtshezi | - | - | - | 8 | - | - | - | - | - |
| B KZN235 Okhahlamba | - | - | - | - | - | - | - | - | - |
| B KZN236 Imbabazane | - | - | - | - | - | - | - | - | - |
| C DC23 Uthukela District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN241 Endumeni | - | - | - | - | - | - | - | - | - |
| B KZN242 Nqutu | - | - | - | - | - | - | - | - | - |
| B KZN244 Msinga | - | - | - | - | - | - | - | - | - |
| B KZN245 Umvoti | - | - | - | - | - | - | - | - | - |
| C DC24 Umzinyathi District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | - | 1 485 | 3 000 | 2 148 | 3 028 | 4 750 | 4 750 | 4 750 |
| B KZN252 Newcastle | - | - | 1 485 | 3 000 | 2 148 | 3 028 | 4 750 | 4 750 | 4 750 |
| B KZN253 eMadlangeni | - | - | - | - | - | - | - | - | - |
| B KZN254 Dannhauser | - | - | - | - | - | - | - | - | - |
| C DC25 Amajuba District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | - | 10 | - | - | - | - | - |
| B KZN261 eDumbe | - | - | - | - | - | - | - | - | - |
| B KZN262 uPhongolo | - | - | - | - | - | - | - | - | - |
| B KZN263 Abaqulusi | - | - | - | - | - | - | - | - | - |
| B KZN265 Nongoma | - | - | - | - | - | - | - | - | - |
| B KZN266 Ulundi | - | - | - | 10 | - | - | - | - | - |
| C DC26 Zululand District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Umkhanyakude Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN271 Umhlabyalingana | - | - | - | - | - | - | - | - | - |
| B KZN272 Jozini | - | - | - | - | - | - | - | - | - |
| B KZN273 The Big 5 False Bay | - | - | - | - | - | - | - | - | - |
| B KZN274 Hlabisa | - | - | - | - | - | - | - | - | - |
| B KZN275 Mtubatuba | - | - | - | - | - | - | - | - | - |
| C DC27 Umkhanyakude District Municipality | - | - | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | - | 20 000 | 7 779 | 7 426 | 1 756 | 2 294 | 1 047 | 1 047 | 1 047 |
| B KZN281 Umfolozi | - | - | - | - | - | - | - | - | - |
| B KZN282 uMhlathuze | - | 20 000 | 7 779 | 7 411 | 1 756 | 2 294 | 1 047 | 1 047 | 1 047 |
| B KZN283 Ntambanana | - | - | - | 15 | - | - | - | - | - |
| B KZN284 uMlalazi | - | - | - | - | - | - | - | - | - |
| B KZN285 Mthonjaneni | - | - | - | - | - | - | - | - | - |
| B KZN286 Nkandla | - | - | - | - | - | - | - | - | - |
| C DC28 uThungulu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Ilembe Municipalities | - | - | 4 973 | 2 789 | 5 803 | 5 989 | 4 878 | 4 878 | 4 878 |
| B KZN291 Mandeni | - | - | - | - | - | - | - | - | - |
| B KZN292 KwaDukuza | - | - | 4 973 | 2 789 | 5 803 | 5 989 | 4 878 | 4 878 | 4 878 |
| B KZN293 Ndwedwe | - | - | - | - | - | - | - | - | - |
| B KZN294 Maphumulo | - | - | - | - | - | - | - | - | - |
| C DC29 Ilembe District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | - | - | - | - | - | - | - | - |
| B KZN431 Ingwe | - | - | - | - | - | - | - | - | - |
| B KZN432 Kwa Sani | - | - | - | - | - | - | - | - | - |
| B KZN433 Greater Kokstad | - | - | - | - | - | - | - | - | - |
| B KZN434 Ubuhlebezwe | - | - | - | - | - | - | - | - | - |
| B KZN435 Umzimkulu | - | - | - | - | - | - | - | - | - |
| C DC43 Harry Gwala District Municipality | - | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | 115 000 | 40 384 | 102 070 | 44 261 | 57 468 | 148 400 | 110 820 | 53 869 |

Table 8.N : Transfers to local government - CRU programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | 95 000 | - | - | - | - | 100 000 | 60 000 | - |
| Total: Ugu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Umkhanyakude Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | - | 20 000 | - | - | - | - | - | - | - |
| B KZN282 uMhlathuze | - | 20 000 | - | - | - | - | - | - | - |
| Total: Ilembe Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | 115 000 | - | - | - | - | 100 000 | 60 000 | - |

Table 8.O : Transfers to local government - Municipal rates and taxes, Maintenance of R293 Hostels and EEDBS

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | - | - | 61 113 | - | - | - | - | - |
| Total: Ugu Municipalities | - | - | - | 65 | - | - | - | - | - |
| B KZN212 Umdoni | - | - | - | 50 | - | - | - | - | - |
| B KZN216 Hibiscus Coast | - | - | - | 15 | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | - | - | 3 969 | - | - | - | - | - |
| B KZN222 uMngeni | - | - | - | 5 | - | - | - | - | - |
| B KZN225 Msunduzi | - | - | - | 3 949 | - | - | - | - | - |
| B KZN226 Mkhambathini | - | - | - | 15 | - | - | - | - | - |
| Total: Uthukela Municipalities | - | - | - | 74 | - | - | - | - | - |
| B KZN232 Emnambithi/Ladysmith | - | - | - | 66 | - | - | - | - | - |
| B KZN234 Umtshezi | - | - | - | 8 | - | - | - | - | - |
| Total: Umzinyathi Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | - | 10 | - | - | - | - | - |
| B KZN266 Ulundi | - | - | - | 10 | - | - | - | - | - |
| Total: Umkhanyakude Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | - | - | - | 150 | - | - | - | - | - |
| B KZN282 uMhlathuze | - | - | - | 135 | - | - | - | - | - |
| B KZN283 Ntambanana | - | - | - | 15 | - | - | - | - | - |
| Total: Ilembe Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | 65 381 | - | - | - | - | - |

Table 8.P : Transfers to local government - Operational costs for accredited municipalities

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | - | 21 787 | 12 551 | 14 670 | 35 316 | 18 228 | 15 820 | 18 869 |
| Total: Ugu Municipalities | - | - | - | 1 495 | 1 167 | - | 7 086 | 10 000 | 10 000 |
| B KZN216 Hibiscus Coast | - | - | - | 1 495 | 1 167 | - | 7 086 | 10 000 | 10 000 |
| Total: uMgungundlovu Municipalities | - | - | 3 495 | 7 722 | 15 467 | 10 187 | 8 715 | 9 325 | 9 325 |
| B KZN225 Msunduzi | - | - | 3 495 | 7 722 | 15 467 | 10 187 | 8 715 | 9 325 | 9 325 |
| Total: Uthukela Municipalities | - | - | 865 | 1 856 | 3 250 | 654 | 3 696 | 5 000 | 5 000 |
| B KZN232 Emnambithi/Ladysmith | - | - | 865 | 1 856 | 3 250 | 654 | 3 696 | 5 000 | 5 000 |
| Total: Umzinyathi Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | - | 1 485 | 3 000 | 2 148 | 3 028 | 4 750 | 4 750 | 4 750 |
| B KZN252 Newcastle | - | - | 1 485 | 3 000 | 2 148 | 3 028 | 4 750 | 4 750 | 4 750 |
| Total: Zululand Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Umkhanyakude Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | - | - | 7 779 | 7 276 | 1 756 | 2 294 | 1 047 | 1 047 | 1 047 |
| B KZN282 uMhlathuze | - | - | 7 779 | 7 276 | 1 756 | 2 294 | 1 047 | 1 047 | 1 047 |
| Total: Ilembe Municipalities | - | - | 4 973 | 2 789 | 5 803 | 5 989 | 4 878 | 4 878 | 4 878 |
| B KZN292 KwaDukuza | - | - | 4 973 | 2 789 | 5 803 | 5 989 | 4 878 | 4 878 | 4 878 |
| Total: Harry Gwala Municipalities | - | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | - | 40 384 | 36 689 | 44 261 | 57 468 | 48 400 | 50 820 | 53 869 |

VOTE 9

Community Safety and Liaison

| | |
|---------------------------------|--|
| Operational budget | R 187 069 000 |
| MEC remuneration | Nil |
| Total amount to be appropriated | R 187 069 000 |
| Responsible MEC | MEC for Transport, Community Safety and Liaison ¹ |
| Administering department | Community Safety and Liaison |
| Accounting officer | Head: Community Safety and Liaison |

1. Overview

Vision

The department's vision is to see that: *The people of KwaZulu-Natal live in a safe and secure environment.*

Mission statement

The mission set for the department is: *To be the lead agency in driving the integration of community safety initiatives, towards a crime free KwaZulu-Natal.*

Strategic objectives

Strategic policy direction: By focussing on its role of creating a secure environment in which all South Africans can live, the department seeks to align its operations and strategic position with the overall aim of government to achieve accountability and effective service delivery for all citizens of the province in the following areas: that all people in South Africa are and feel safe, and a long and healthy life for all is achieved.

The strategic objectives set by the department are to:

- Evaluate police service delivery and compliance with national policy standards and make recommendations for redress where required.
- Assess the effectiveness of visible policing in the province.
- Improve South African Police Service (SAPS) efficiency and effectiveness through independent service delivery evaluation and reward.
- Improve public confidence and trust in the police.
- Address service delivery complaints against the police to support the raising of service standards.
- Oversee the establishment and functioning of Community Policing Forums (CPFs) at all police stations in the province.
- Enhance the capacity of community police structures to improve co-operation between the police and the community.
- Promote community dialogue and participation in support of crime prevention initiatives and activities.
- Execute social crime prevention programmes at provincial and local level.

¹ The salary of the MEC for Transport, Community Safety and Liaison is budgeted for under Vote 12: Transport.

- Research and develop social crime prevention responses to community safety priorities.
- Consolidate the community safety network structure.
- Promote the establishment of a victim support network.
- Raise awareness of protective rights among vulnerable groups.
- Promote corporate governance and provide strategic project support.
- Implement the Volunteer Social Crime Prevention Programme (VSCPP).

Core functions

The provincial department is responsible for the following functions in line with the effective implementation of the Civilian Secretariat for Police Services Act, 2011:

- Promoting democratic accountability and transparency in the police service.
- Promoting good relations and establishing partnerships between the police and communities.
- Directing the SAPS toward effectively addressing provincial needs and priorities.
- Facilitating the development and co-ordination of social crime prevention initiatives.
- Promoting and supporting victim empowerment.

Legislative mandates

The principal legislative mandates governing the operations of the department are:

- The Constitution of the Republic of South Africa, 1996
- South African Police Service Act, 1995 and regulations
- National Crime Prevention Strategy, 1996 (Revised 1999)
- Firearms Control Act, 2000
- KwaZulu-Natal Commissions Act, 1999
- Domestic Violence Act, 1998
- Child Care Act, 1983
- Maintenance Act, 1998
- Criminal Procedure Act, 1977
- Public Finance Management Act, 1999, as amended, and the Treasury Regulations
- Public Service Act, 1994 and regulations
- Labour Relations Act, 1995
- Basic Conditions of Employment Act, 1997
- Employment Equity Act, 1998
- Skills Development Act, 1998
- Promotion of Equality and Prevention of Unfair Discrimination Act, 2000
- Promotion of Administrative Justice Act, 2000
- Promotion of Access to Information Act, 2000
- Preferential Procurement Policy Framework Act, 2001
- KwaZulu-Natal Provincial Supply Chain Management Policy Framework, 2006
- Electronic Communications and Transactions Act, 2002
- Regulation of Interception and Provision of Communication-Related Information Act, 2002

- State Information Technology Agency Act, 1999
- Second-Hand Goods Act, 2009
- National Youth Development Agency Act, 2008
- Criminal Law (Sexual Offences and Related Matters) Amendment Act, 2007
- Older Persons' Act, 2006
- Children's Act, 2005
- Child Justice Act, 2008
- Civilian Secretariat for Police Services Act, 2011

2. Review of the 2014/15 financial year

Section 2 provides a review of 2014/15, outlining the main achievements and the progress made by the department during the year, as well as providing a discussion on challenges and new developments.

Decentralisation strategy

The department experienced several challenges in rolling out the second phase of the decentralisation strategy during 2014/15. This was mainly due to posts associated with phase one of the roll-out, which were anticipated to be filled by the end of 2013/14, not being filled by the said period. This was attributed to delays in the recruitment process resulting from delays in the Job Evaluation (JE) process, hence the filling of some posts could only take place in 2014/15. The department subsequently decided to ensure that phase one was complete before proceeding to phases two and three. The department is anticipating filling all 184 posts on the approved structure pertaining to phase one before the end of 2014/15.

A further reason for the rescheduling of phase two of the new organisational structure was the non-attainment of district offices. In this regard, the department is waiting for the Department of Public Works (DOPW) to finalise this process. The department envisages having fully functional and operational district offices (10 in the districts, and three in the eThekweni Metro) by the end of 2016/17. The progress as at December 2014 shows that the department has signed-off on four lease agreements, and a park-home (which also serves as a district office).

Holistic community liaison framework

The department currently uses the Justice Crime Prevention Strategy (JCPS), voluntary crime prevention structures, etc., to form partnerships with relevant stakeholders and to drive crime prevention. The KZN Council Against Crime (hereafter referred to as CAC) was established in 2013/14, and comprises various stakeholders, including representatives of the Premier, MECs, JCPS members, House of Traditional Leaders, religious leaders, business leaders, etc. CAC was concluded on the 11 December 2014. This event marked the culmination of a long process to establish a provincial body that would address all issues pertaining to crime prevention in KZN.

Communities-in-Dialogue Programme (CiDP)

The department continued to mobilise communities using the CiDP to resolve intra and inter-community conflicts. During 2014/15, the CiDP was used to deal with political violence around the 2014 general elections. The pre-election period focussed on the revival of the Provincial Multi-Party Political Intervention Committee (an oversight body made up of different political parties), which included interventions at Umtshezi and KwaMashu. The post-election period saw a youth integrated dialogue session between senior citizens and the youth on crime, as well as CiDP interventions at Mooi River and Pomeroy, among others.

Societal Education to Build Safer Communities programme (Lwisana Nobugebengu)

This programme was inaugurated during 2013/14 and continued into 2014/15 where the graduation of the candidates took place. The training programme involved 30 participants from each of the following districts: eThekweni, Amajuba, Harry Gwala, Ugu, uMgungundlovu, Umkhanyakude, Umzinyathi, Uthukela, uThungulu and Zululand. Certificates of attendance were awarded to approximately 348 delegates in November 2014. The 2014/15 financial year saw the department further consolidate this

programme into its core activities. Topics included understanding the Constitution, self-defence, financial management, etc.

Station evaluations

The department's civilian oversight mandate remains a central focus of its operations. Police station performance monitoring and evaluation was undertaken in 2014/15 to ensure that police stations throughout the province delivered a service to meet the need and expectations of communities. The process was done through the National Monitoring Tool which is a tool that accommodates all components at a station, from front desk operations to the running of ablution facilities. The evaluations included the Domestic Violence Act and Independent Police Investigative Directorate Act, compliance reports and monitoring and evaluation reports on special projects commissioned by the Civilian Secretariat for Police, etc.

Establishment and maintenance of safety structures

The department's strategy of extending its crime fighting responsibility continued in 2014/15, using existing structures such as street committees Community Safety Forums (CSFs) and CPFs, as well as new structures, such as district ward safety committees. The following safety structures were maintained or established, the Hillcrest CPF induction and Annual General Meeting (AGM), Mariannhill CPF induction workshop, the Mfundwenhle voting district safety committee, as well as the Ubuhlebezwe and KwaSani voting district safety teams. Also, the KwaDukuza police station school safety forum workshop took place.

During the safety month of November, a total of 44 activities were conducted in five regions and 13 districts, attracting over 50 000 people. Activities included launches of community safety structures, crime awareness campaigns, crime summits, school safety, CPF AGMs, among others.

A training module on the legal framework for all community safety structures (CPF, CSF, voting district safety teams, street committees and community crime prevention associations) was developed and training conducted at a number of districts throughout the province. The training dealt with how each structure must be established and function, the criminal justice system, bail, arrest, taking statements, private defence, managing crime scenes and public demonstrations.

KZN Community Crime Prevention Association (KZNCCPA)

The 2014/15 financial year witnessed community safety interventions by the KZNCCPA at KwaNibela, Msinga and Mtunzini, among others. The KZNCCPA reviewed and received reports on activities being undertaken to tighten security on the KZN/Mozambique, KZN/Swaziland and KZN/Lesotho borders, including its ports and airports. During November 2014, the department had its first inter-provincial integrated law enforcement operation between KZN and the Free State which was held at Van Reenens Pass on the border of KZN and the Free State.

3. Outlook for the 2015/16 financial year

Section 3 looks at the key focus areas of 2015/16, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments. It should be noted that, during 2015/16, the department will continue to roll-out the Civilian Secretariat for Police Services Act, through the continued phasing in of the new organogram which is linked to the decentralisation strategy.

The bulk of the department's budget allocation in the 2015/16 MTEF is for community safety initiatives, including the VSCPP, maintenance of CSFs and CPFs, crime awareness campaigns (victim empowerment, drug abuse, etc.), police station evaluations, JCPS, stock theft, cross border conflicts, taxi violence, among others. Also in 2015/16, the department will continue to implement its core functions in line with the provincial PGDP (namely, poverty alleviation and social welfare, safety and security and eradicating fraud and corruption), as well as internal departmental functions including legal, finance, corporate services, etc.

Decentralisation strategy

The department will roll-out the second and third phases of the decentralisation strategy during 2015/16.

The additional posts, dealing with Monitoring and Evaluation and Community Police Relations, will increase capacity at a district level which should lead to improved service delivery on the ground – i.e. at ward level. The department aims to increase its organisational structure, in line with the approved organogram, from 184 employees in 2014/15 to 220 in 2015/16.

Holistic community liaison framework

In 2015/16, the JCPS will continue to provide strategic advice and guidance on, and assist in the development of safety and crime prevention strategies, as well as facilitating and promoting broad societal education programmes on the prevention of crime in the community. At a district level, the role of the Council will be fulfilled by district CSFs. At a local level, the department will continue to use CPFs to liaise with communities.

Communities-in-Dialogue Programme (CiDP)

The department will continue with the CiDP to resolve land and/or livestock disputes. In the case of politically related conflicts, the department will facilitate dialogue sessions between affected political parties and the acceptance of responsibility for resolving conflicts between and among their members, with the support of law enforcement and other government departments. This programme will also assist in addressing taxi violence, particularly in respect of the control of taxi routes.

Societal Education to Build Safer Communities programme (Lwisana Nobugebengu)

This programme will continue in 2015/16. As mentioned, the department has in the past built community capacity to understand and respond to safety threats through a number of training courses. These have included, among others, a programme for CPFs, school safety courses, training of traditional leaders in social crime prevention and human rights and life-skills programmes that have been provided to young people. The department has consolidated the various training modules in order to provide a more comprehensive training programme that includes community based structures.

Station evaluations

Police station performance monitoring and evaluation will continue to be undertaken in 2015/16, in order to ensure the improvement of the service delivery of police stations in general and areas of concern will be identified and communicated to the SAPS. This includes Monitoring and Evaluation reports on special projects commissioned by the Civilian Secretariat for Police and the monitoring of specialised units and the provincial SAPS headquarters.

Establishment and maintenance of safety structures

The department will continue to extend its crime fighting to provide a vehicle to mobilise communities against crime and to improve community policing in 2015/16. Furthermore, evaluating established community safety structures to determine their need for support to achieve their objectives, taking steps to address identified needs, evaluating the safety needs identified by safety structures, etc., will continue.

KZN Community Crime Prevention Association (KZNCCPA)

KZN is the first province to regularise the activities of voluntary crime fighting organisations. In the past, these organisations, such as neighbourhood watch, street committees and other groupings, operated in isolation. The department drafted a constitution at provincial and district level for the implementation of the KZNCCPA in 2014/15. The KZNCCPA was accepted by SAPS. The department will look to further entrench its relationship with SAPS in 2015/16.

Building a United Front Against Crime

The constitutional imperative of promoting good relations between the police and the community has been interpreted by the department as an obligation to build a partnership to fight crime. Over the past five years, the department firstly formulated the Building A United Front Against Crime programme and started implementation through Operation *Hlasela*. From 2015/16 going forward, the department will concentrate on, among others, crime prevention programmes focusing on youth, drugs, school safety, sexual offences, taxi violence, stock theft, stolen goods, repeat offenders, cross-border crime (e.g. rhino poaching) and community conflicts (e.g. protests, faction fights and political violence).

4. Receipts and financing

4.1 Summary of receipts and financing

Table 9.1 shows the sources of funding of Vote 9 over the seven-year period 2011/12 to 2017/18. It also compares actual and budgeted receipts against actual and budgeted payments.

Table 9.1 : Summary of receipts and financing

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Equitable share | 150 139 | 159 661 | 164 978 | 173 715 | 172 112 | 172 112 | 181 069 | 190 747 | 200 285 |
| Conditional grants | - | 1 673 | 5 369 | 2 580 | 2 580 | 2 580 | 1 000 | - | - |
| Social Sector EPWP Incentive Grant for Provinces | - | 1 673 | 5 369 | 2 580 | 2 580 | 2 580 | 1 000 | - | - |
| Total receipts | 150 139 | 161 334 | 170 347 | 176 295 | 174 692 | 174 692 | 182 069 | 190 747 | 200 285 |
| Total payments | 145 239 | 135 892 | 171 922 | 181 295 | 179 692 | 179 692 | 187 069 | 198 470 | 200 285 |
| Surplus/(Deficit) before financing | 4 900 | 25 442 | (1 575) | (5 000) | (5 000) | (5 000) | (5 000) | (7 723) | - |
| Financing | | | | | | | | | |
| of which | | | | | | | | | |
| Provincial roll-overs | - | - | - | - | - | - | - | - | - |
| Provincial cash resources | - | - | 5 500 | 5 000 | 5 000 | 5 000 | 5 000 | 7 723 | - |
| Surplus/(Deficit) after financing | 4 900 | 25 442 | 3 925 | - | - | - | - | - | - |

In 2011/12, the department ended the year with an under-spending of R4.900 million, mainly as a result of the non-filling of vacant posts pending the finalisation of the organisational structure.

The department substantially under-spent its 2012/13 budget by R25.442 million. This was due to the non-filling of vacant posts pending the finalisation of the organisational structure, cost-cutting, delays in the roll-out of the decentralisation strategy, and the discontinuation of the department's call-centre relating to the VSCPP. The centre was discontinued because the contract with the service provider came to an end, and was not renewed as the department intended to run the call centre in-house to reduce costs. Also in 2012/13, the department received the Social Sector EPWP Incentive Grant for Provinces of R1.673 million. This grant was under-spent by R881 000 due to the late finalisation of the list of new VSCPP recruits.

In 2013/14, the department received R5.369 million in respect of the Social Sector EPWP Incentive Grant for Provinces, of which it only spent R3.758 million, as explained below. The amount of R5.500 million against provincial cash resources in 2013/14 is made-up of additional funding of R1 million for Operation *Sukuma Sakhe* (OSS) initiatives, and R4.500 million transferred to SAPS for visible policing over the festive season. The department under-spent its budget by R3.925 million in 2013/14 mainly due to under-spending on *Compensation of employees* resulting from the non-filling of posts emanating from delays in the implementation of the new organisational structure, and under-spending on *Goods and services* largely on the Social Sector EPWP Incentive Grant for Provinces due to the late recruitment of volunteers.

In 2014/15, the department was allocated R2.580 million in respect of the Social Sector EPWP Incentive grant for Provinces, which is anticipated to be fully spend by year-end. The provincial cash resources of R5 million is for the phasing in of the new approved organogram. The decrease from the 2014/15 Main to Adjusted Appropriation in the equitable share pertains to R1.603 million being deducted from the department's budget due to a first charge against the department in respect of irregular expenditure incurred in prior years.

In 2015/16, the department receives a further allocation of R5 million in 2015/16 for the phasing in of the new approved organogram. It was agreed between the department and Treasury that the amount of R7.723 million requested to be rolled over from 2012/13, would be rolled over to 2016/17 (without carry-through costs beyond 2016/17) in order to assist with the continued implementation of the decentralisation strategy. The department receives R1 million in 2015/16 in respect of conditional grant funding. No grant funding is allocated in the outer years of the MTEF, at this stage.

4.2 Departmental receipts collection

Table 9.2 shows the sources of own revenue collected by the department. Details of departmental receipts are presented in *Annexure – Vote 9: Community Safety and Liaison*.

Table 9.2 : Summary of departmental receipts collection

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|-----------|-----------|--------------------|------------------------|------------------|-----------------------|-----------|------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 54 | 54 | 60 | 63 | 63 | 63 | 69 | 73 | 76 |
| Transfers received | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | 1 | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - | - |
| Transactions in financial assets and liabilities | 15 | 21 | 19 | 22 | 22 | 22 | 23 | 24 | 25 |
| Total | 70 | 75 | 79 | 85 | 85 | 85 | 92 | 97 | 101 |

Sale of goods and services other than capital assets forms the bulk of the revenue collected by the department and is largely collected against commission received from insurance companies for the collection of monthly contributions. The department projects to fully collect its budget as shown in the 2014/15 Revised Estimate, mainly with regard to commission from insurances. This category is expected to grow consistently over the 2015/16 MTEF.

The department collected once-off revenue against *Interest, dividends and rent on land* in 2011/12 in respect of interest earned on staff debts.

From 2011/12 to 2014/15, the department collected revenue against *Transactions in financial assets and liabilities* in respect of the recovery of staff debts, recovery of supplier over-payments and recovery of expenses related to breach of bursary contracts. Revenue against this category grows steadily over the 2015/16 MTEF.

4.3 Donor funding – Nil

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including the payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in the *Annexure – Vote 9: Community Safety and Liaison*.

5.1 Key assumptions

The following assumptions and factors were taken into account in finalising the budget allocations:

- National Treasury imposed fiscal consolidation cuts on the equitable share and conditional grant allocations of provinces for 2015/16 and 2016/17. In KZN, the bulk of the equitable share cut is absorbed by reducing the Contingency Reserve, stopping of the Strategic Cabinet Initiatives Fund, etc. As part of the fiscal consolidation, National Treasury has not provided any funding for the carry-through costs of the 2014 wage agreement, and the department therefore had to fund these by internal reprioritisation and lowering growth of non-essential item budgets.
- Provision was made for the carry-through costs of the 2014 wage agreement and an inflationary wage adjustment of 5.6, 5.5 and 5 per cent for each of the three years of the 2015/16 MTEF, respectively. The department also provided for the 1.5 per cent pay progression.
- Where feasible, CPI projections were used to calculate inflation related items.
- Provision was made for the implementation of the department's new approved organogram in phases over the MTEF.

- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2014/15, will continue to be adhered to over the 2015/16 MTEF, in conjunction with National Treasury Instruction 01 of 2013/14: Cost-containment measures. The provincial cost-cutting measures have been updated to include those adopted by the Committee of Heads of Departments (COHODs) in December 2014.

5.2 Additional allocations for the 2013/14 to 2015/16 MTEF

Table 9.3 shows additional funding received by the department over the three MTEF periods: 2013/14, 2014/15 and 2015/16. The purpose of such a table is two-fold. Firstly, it shows the quantum of additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated.

The carry-through allocations for the 2013/14 and 2014/15 MTEF periods (i.e. for the financial year 2017/18) are based on the incremental percentage used in the 2015/16 MTEF.

Table 9.3 : Summary of additional provincial allocations for the 2013/14 to 2015/16 MTEF

| R thousand | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|--|----------------|----------------|----------------|----------------|----------------|
| 2013/14 MTEF period | (2 302) | 231 | 12 | (5 218) | (5 479) |
| Census data update and 1%, 2% and 3% baseline cuts | (2 302) | (4 769) | (4 988) | (5 218) | (5 479) |
| Implementation of structure to roll-out Civilian Secretariat for Police Services Act | - | 5 000 | 5 000 | - | - |
| 2014/15 MTEF period | | (1 767) | (1 558) | 6 164 | 6 472 |
| Compensation of employees roll-over from 2012/13 to 2016/17 | | - | - | 7 723 | 8 109 |
| Carry-through of previous wage agreements | | 333 | 642 | 742 | 779 |
| Centralisation of communications budget under OTP | | (2 100) | (2 200) | (2 301) | (2 416) |
| 2015/16 MTEF period | | | | | |
| Removal of Comp of employees roll-over from 17/18 | | - | - | - | (8 109) |
| Total | (2 302) | (1 536) | (1 546) | 946 | (7 116) |

In the 2013/14 MTEF, National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced equitable share allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the department was a substantial reduction in the budget over the entire period. The department received additional funding in 2014/15 and 2015/16 for the implementation of the new organisational structure, in relation to the implementation of the Civilian Secretariat for Police Services Act.

In the 2014/15 MTEF, the department received additional funding for the carry-through of previous wage agreements. The budget of the department was decreased by R2.100 million, R2.200 million, R2.301 million and R2.416 million in 2014/15, 2015/16, 2016/17 and 2017/18, respectively for the centralisation of parts of the communications budget under the Office of the Premier (OTP). To provide certainty of funding for another year for the increased organogram, an amount of R7.723 million (being a portion of the under-spending in 2012/13) was rolled over from 2012/13 to 2016/17 for the implementation of the revised organisational structure, in line with the Civilian Secretariat for Police Services Act.

The department was allocated funds, rolled-over from 2012/13 to 2016/17 without carry-through costs. As such, R8.109 million is removed in 2017/18. In this regard, the funding of the new structure will have to take place in a piecemeal basis until the period of fiscal consolidation is over.

5.3 Summary by programme and economic classification

National Treasury, in consultation with the National Secretariat and the provincial Departments of Community Safety and Liaison, issued a directive on the new budget structure for the sector, to be implemented in 2015/16.

The department, in line with the sector specific programme structure, has expanded the number of sub-programmes in Programme 2: Civilian Oversight (previously named Provincial Civilian Secretariat). The new structure resulted in the names of all sub-programmes in Programme 2 being changed. The previous

sub-programme Community Safety Partnerships and Crime Prevention Initiatives is now separated into Community Police Relations, Programme Support and Safety Promotion sub-programmes. The previous Police Service and Conduct and Police Policies, Practice and Research sub-programmes are now called Monitoring and Evaluation and Policy and Research, respectively. The historical figures for the sub-programmes Monitoring and Evaluation and Policy and Research remained the same because these were mere name changes. The historical figures for Community Police Relations, Programme Support and Safety Promotion entailed a restatement. The department thus conforms to the budget and programme structure set for the Safety and Liaison sector. In this regard, the new budget structure for the 2015/16 MTEF is shown in Table 9.4 below.

Table 9.4 : Reconciliation of structural changes to Vote 9: Community Safety and Liaison

| 2014/15 structure | | | 2015/16 structure | | |
|------------------------------------|---------------|--|-----------------------|---------------|----------------------------|
| Programme | Sub-programme | | Programme | Sub-programme | |
| 1. Administration | 1.1 | Office of the HOD | 1. Administration | 1.1 | Office of the HOD |
| | 1.2 | Financial Management | | 1.2 | Financial Management |
| | 1.3 | Corporate Management | | 1.3 | Corporate Services |
| | 1.4 | Legal | | 1.4 | Legal |
| | 1.5 | Security | | 1.5 | Security |
| 2. Provincial Civilian Secretariat | 2.1 | Community Safety Partnerships and Crime Prevention Initiatives | 2. Civilian Oversight | 2.1 | Policy and Research |
| | 2.2 | Police Service and Conduct | | 2.2 | Monitoring and Evaluation |
| | 2.3 | Police Policies, Practice and Research | | 2.3 | Safety Promotion |
| | | | | 2.4 | Community Police Relations |
| | | | | 2.5 | Programme Support |

Tables 9.5 and 9.6 provide a summary of payments and budgeted estimates by programme and economic classification, respectively, for the period 2011/12 to 2017/18. Overall, there is an increase in the department's budget over the seven-year period.

Table 9.5 : Summary of payments and estimates by programme: Community Safety and Liaison

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-----------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 38 082 | 32 265 | 35 238 | 47 804 | 46 201 | 46 201 | 49 381 | 51 992 | 55 116 |
| 2. Civilian Oversight | 107 157 | 103 627 | 136 684 | 133 491 | 133 491 | 133 491 | 137 688 | 146 478 | 145 169 |
| Total | 145 239 | 135 892 | 171 922 | 181 295 | 179 692 | 179 692 | 187 069 | 198 470 | 200 285 |

Table 9.6 : Summary of payments and estimates by economic classification: Community Safety and Liaison

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 142 551 | 135 070 | 165 694 | 180 133 | 177 309 | 177 275 | 185 853 | 197 189 | 198 924 |
| Compensation of employees | 32 658 | 37 307 | 43 725 | 74 572 | 64 572 | 64 538 | 90 120 | 97 241 | 104 410 |
| Goods and services | 109 893 | 97 763 | 121 969 | 105 561 | 112 737 | 112 737 | 95 733 | 99 948 | 94 514 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 473 | 16 | 217 | 12 | 33 | 54 | 13 | 14 | 16 |
| Provinces and municipalities | 10 | 10 | 10 | 12 | 12 | 12 | 13 | 14 | 16 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 289 | - | - | - | - | - | - | - | - |
| Households | 174 | 6 | 207 | - | 21 | 42 | - | - | - |
| Payments for capital assets | 2 215 | 794 | 5 988 | 1 150 | 2 350 | 2 350 | 1 203 | 1 267 | 1 345 |
| Buildings and other fixed structures | - | - | 312 | - | - | - | - | - | - |
| Machinery and equipment | 2 215 | 612 | 5 644 | 1 150 | 2 350 | 2 350 | 1 203 | 1 267 | 1 345 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | 182 | 32 | - | - | - | - | - | - |
| Payments for financial assets | - | 12 | 23 | - | - | 13 | - | - | - |
| Total | 145 239 | 135 892 | 171 922 | 181 295 | 179 692 | 179 692 | 187 069 | 198 470 | 200 285 |

The decrease from 2011/12 to 2012/13 in Programme 1: Administration was due to under-expenditure experienced in this programme in 2012/13, resulting from delays in the roll-out of the decentralisation strategy, etc. This decrease can be further ascribed to cost-cutting, particularly on administrative expenses, such as stationery and printing, as well as a decrease in spending against *Machinery and equipment* resulting from high spending in the previous year, where the department had purchased computers and equipment to replace obsolete assets. The substantial increase from 2013/14 to the 2014/15 Main Appropriation can be ascribed to the department budgeting for the roll-out of phase two of the new organisational structure. The decrease from the 2014/15 Main to Adjusted Appropriation pertains to R1.603 million being deducted from the department's budget due to a first charge against the department in respect of irregular expenditure incurred in prior years. The increase from the 2014/15 Adjusted Appropriation to 2015/16 relates to the implementation of the full organisational structure in line with the implementation of the Civilian Secretariat for Police Services Act. The increasing trend over the 2015/16 MTEF is mainly inflation related.

The decrease from 2011/12 to 2012/13 against Programme 2 was due to the non-filling of posts, delays in the roll-out of the decentralisation strategy, and under-spending on the Social Sector EPWP Incentive Grant for Provinces, etc. Also, the leasing of district offices was shelved pending the finalisation of the new organogram, and delays in the acquiring process, as well as discontinuation of the call-centre accounted for the low spending. The significant increase in 2013/14 is largely due to increased demand for crime awareness campaigns, and payment to SAPS for increased visible policing over the festive season. Projects which fall under crime awareness include, among others, victim empowerment, drug abuse, resolving political conflicts, etc. There was also a significant increase in the department's capital expenditure compared to 2012/13 emanating from the purchase of motor vehicles to cater for the roll-out of the decentralisation strategy and the implementation of the new organisational structure.

The decrease in the 2014/15 Main Appropriation against Programme 2 is mainly due to the once-off nature of the purchase of motor vehicles in 2013/14. The increase over the 2015/16 MTEF caters for the full organisational structure and inflationary related increases. Furthermore, the department received conditional grant funding of R1 million in 2015/16. The decrease in 2017/18 pertains to the fact that the roll-over (for the implementation of the new organisational structure) of R7.723 million from 2012/13 to 2016/17 does not have carry-through costs. As a result, Programme 2 shows a slight reduction in 2017/18 rather than inflationary growth, and the department has had to accommodate this by cutting back on non-essential items such as *Goods and services* rather than on *Compensation of employees* costs which are fixed.

The increase in *Compensation of employees* from 2011/12 to 2013/14 is due to the filling of posts. In 2013/14, the department had anticipated to have completed the roll-out of phase one of the implementation of the new organisational structure. However, due to the JE process taking longer than anticipated, posts were only advertised towards the end of the year, and the roll-out of phase one had to continue into 2014/15, thus the implementation of phase two, which was budgeted to be rolled out in 2014/15, was put on hold until 2015/16. This accounts for the substantial increase against this category from 2014/15 to 2015/16. It should be noted that the increase against this category in 2014/15 to 2016/17 also relates to additional funding of R5 million in 2014/15 and 2015/16, respectively, and R7.723 million in 2016/17, allocated to the department for the implementation of the Civilian Secretariat for Police Services Act. The department anticipates rolling out both phases two and three in 2015/16. The decrease from the 2014/15 Main to Adjusted Appropriation relates to savings realised in respect of the non-filling of posts, as the department was unable to implement phase two, as mentioned above. The budget for the 2015/16 MTEF caters for the full organisational structure of 220 personnel (186 full time employees and 34 contract workers), as well as inflationary increments. As mentioned above, due to the fixed and recurring cost of *Compensation of employees*, this category could not be cut-back in 2017/18, and therefore the impact of the roll-over having no carry-through costs beyond 2016/17 has affected *Goods and services* and not *Compensation of employees*.

The substantial decrease in *Goods and services* from 2011/12 to 2012/13 was mainly due to cost-cutting, delays in leasing district offices and the discontinuation of the call-centre. The significant increase in 2013/14 is largely due to increased demand for crime awareness campaigns, and payment to SAPS for

increased visible policing over the festive season. The increase from the 2014/15 Main to the Adjusted Appropriation is due to savings realised from the non-filling of posts being moved to *Goods and services* to cater for higher than budgeted leasing and operational costs (cleaning services, security contracts, etc.) in respect of the decentralisation strategy, where the department had initially not budgeted for operational costs for the district offices. The following district offices are fully operational: eThekweni – North, Uthukela, Umzinyathi, Amajuba and Ugu (park-home). The department envisages procuring the following district offices by year-end, but is dependent on DOPW: eThekweni – South and West, Umkhanyakude, Zululand, Ilembe and Harry Gwala. The increase over the 2015/16 MTEF caters for inflation related increases. Also, the department received conditional grant funding of R1 million in 2015/16. The decrease in 2017/18 pertains to the fact that the previously mentioned roll-over of R7.723 million had no carry-through costs beyond 2016/17. Due to the fixed and recurring nature of *Compensation of employees*, this amount was removed from the *Goods and services* budget, as mentioned previously.

The budget against *Transfers and subsidies to: Provinces and municipalities* relates to the payment of motor vehicle licence fees, and remains fairly steady over the seven-year period.

In 2011/12, an amount of R289 000 was paid from *Transfers and subsidies to: Non-profit institutions* for the procurement and transfer of a park-home in Umlazi to a non-governmental organisation (NGO) community policing structure.

Transfers and subsidies to: Households is mainly in respect of the payment of staff exit costs. There is no budget against this category over the 2015/16 MTEF due to its unpredictable nature.

The amount of R312 000 against *Buildings and other fixed structures* in 2013/14 pertains to the purchase of a park-home in the Ugu District which serves as a temporary district office in line with the decentralisation strategy. This park-home is at the Department of Transport's (DOT) regional office.

The fluctuations against *Machinery and equipment* from 2011/12 onward relates to the department purchasing vehicles and equipment on a cyclical basis. The increase from 2012/13 to 2013/14 pertains to the purchase of motor vehicles to cater for the roll-out of the decentralisation strategy and the implementation of the new organisational structure. The increase in the 2014/15 Adjusted from the Main Appropriation was to cater for additional capital purchases to furnish and equip the district offices, and the purchase of departmental vehicles.

The amounts of R182 000 and R32 000 in 2012/13 and 2013/14, respectively, against *Software and other intangible assets* relate to the purchase and renewal of software licence fees for the Novell System (2012/13) and for computer software to facilitate the design of documents, booklets and other literature (2013/14).

The amounts reflected against *Payments for financial assets* in 2012/13 and 2013/14 pertain to the write-off of staff debts.

5.4 Summary of conditional grant payments and estimates

Table 9.7 illustrates conditional grant payments and estimates for the period 2011/12 to 2017/18. Details are given in *Annexure – Vote 9: Community Safety and Liaison*.

It should be noted that the historical figures set out in Table 9.7 reflect actual expenditure per grant, and should not be compared to those figures reflected in Table 9.1, which represents the actual receipts for the grant.

Table 9.7 : Summary of conditional grants payments and estimates by name

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|------------|--------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Social Sector EPWP Incentive Grant for Provinces | - | 792 | 3 758 | 2 580 | 2 580 | 2 580 | 1 000 | - | - |
| Total | - | 792 | 3 758 | 2 580 | 2 580 | 2 580 | 1 000 | - | - |

The department receives the Social Sector EPWP Incentive Grant for Provinces from 2012/13 to 2015/16, the purpose of which is to create work opportunities. The department uses this funding for the payment of stipends for social crime prevention volunteers who are employed within the VSCPP, and is allocated against the economic classification *Goods and services*. The reduced allocation from 2013/14 onward is dependent on the evaluation by the national DOPW of targets achieved. No grant allocation has been allocated to the department in 2016/17 or 2017/18, at this stage.

5.5 Summary of infrastructure payments and estimates

Table 9.8 below presents a summary of infrastructure payments and estimates by category for the vote, including both capital and current expenditure for the period 2011/12 to 2017/18. The department's infrastructure budget is placed solely against *New infrastructure assets: Capital*.

Table 9.8 : Summary of infrastructure payments and estimates by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Existing infrastructure assets | - | - | - | - | - | - | - | - | - |
| Maintenance and repair: Current | - | - | - | - | - | - | - | - | - |
| Upgrades and additions: Capital | - | - | - | - | - | - | - | - | - |
| Refurbishment and rehabilitation: Capital | - | - | - | - | - | - | - | - | - |
| New infrastructure assets: Capital | - | - | 312 | - | - | - | - | - | - |
| Infrastructure transfers | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Current | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Capital | - | - | - | - | - | - | - | - | - |
| Infrastructure: Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure: Leases | - | - | - | - | - | - | - | - | - |
| Total | - | - | 312 | - | - | - | - | - | - |
| <i>Capital infrastructure</i> | - | - | 312 | - | - | - | - | - | - |
| <i>Current infrastructure</i> | - | - | - | - | - | - | - | - | - |

The 2013/14 amount of R312 000 against *New infrastructure assets: Capital* pertains to the purchase of a park-home in the Ugu District to serve as a temporary district office. This park-home is at the DOT regional office, as explained previously.

5.6 Summary of Public Private Partnerships – Nil

5.7 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

5.8 Transfers to other entities

Table 9.9 below provides a summary of transfers to other entities. In 2011/12, the department transferred R289 000 for the procurement and transfer of a park-home in Umlazi to a community policing NGO.

Table 9.9 : Summary of departmental transfers to other entities

| R thousand | Sub-programme | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|------------------------------|---------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Community policing structure | 2.4 Comm Police Relations | 289 | - | - | - | - | - | - | - | - |
| Total | | 289 | - | - | - | - | - | - | - | - |

5.9 Transfers to local government

The department makes no transfer payments to local government, although it does pay motor vehicle licence fees against this category, which are not a direct transfer to a municipality. Therefore, the table reflecting transfers to local government is excluded.

5.10 Transfers and subsidies

Table 9.10 below provides a summary of transfers and subsidies per programme.

Table 9.10 : Summary of transfers and subsidies by programme and main category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---------------------------------|-----------------|-----------|------------|--------------------|------------------------|------------------|-----------------------|-----------|-----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 152 | 16 | 212 | 12 | 33 | 54 | 13 | 14 | 16 |
| Provinces and municipalities | 10 | 10 | 10 | 12 | 12 | 12 | 13 | 14 | 16 |
| Motor vehicle licences | 10 | 10 | 10 | 12 | 12 | 12 | 13 | 14 | 16 |
| Households | 142 | 6 | 202 | - | 21 | 42 | - | - | - |
| Leave gratuity/social benefits | 142 | 6 | 202 | - | 21 | 42 | - | - | - |
| 2. Civilian Oversight | 321 | - | 5 | - | - | - | - | - | - |
| Non-profit institutions | 289 | - | - | - | - | - | - | - | - |
| Community policing structure | 289 | - | - | - | - | - | - | - | - |
| Households | 32 | - | 5 | - | - | - | - | - | - |
| Leave gratuity/social benefits | 31 | - | 5 | - | - | - | - | - | - |
| Donation - CPF member's funeral | 1 | - | - | - | - | - | - | - | - |
| Total | 473 | 16 | 217 | 12 | 33 | 54 | 13 | 14 | 16 |

The amounts under Programme 1 against *Provinces and municipalities* relate to the payment of motor vehicle licences.

Households in both programmes pertains to the payment of leave gratuities, except for the amount of R1 000 shown under Programme 2 in 2011/12, which is for a donation toward a CPF member's funeral.

The spending of R289 000 in Programme 2 against *Non-profit institutions* in 2011/12 relates to the procurement and transfer of a park-home in Umlazi to a community policing NGO, as mentioned previously.

6. Programme description

The department, in line with the Safety and Liaison sector generic programme structure, has expanded the number of sub-programmes in Programme 2, and has amended the sub-programme names accordingly.

The payments and budgeted estimates for each programme are summarised in terms of economic classification, details of which are presented in the *Annexure – Vote 9: Community Safety and Liaison*.

6.1 Programme 1: Administration

This programme comprises five sub-programmes, namely Office of the HOD, Financial Management, Corporate Services, Legal and Security. Corporate Services includes internal monitoring and evaluation, as well as special projects and inter-governmental relations. The Ministry is shared with DOT, who bears the cost of the shared Ministry. The objective of Programme 1 is to provide essential administrative and management support, while the purpose is to provide strategic direction and support, administrative, financial, executive and legal support, and human resource services. This programme is in line with the sector specific Safety and Liaison programme structure.

Tables 9.11 and 9.12 give a summary of payments and estimates for the seven-year period up to 2017/18.

Table 9.11 : Summary of payments and estimates by sub-programme: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Office of the HOD | 5 339 | 6 050 | 5 264 | 8 031 | 8 031 | 8 354 | 9 689 | 10 371 | 11 047 |
| 2. Financial Management | 7 236 | 7 576 | 8 084 | 10 734 | 9 131 | 9 766 | 10 376 | 10 826 | 11 518 |
| 3. Corporate Services | 22 468 | 15 427 | 17 667 | 24 000 | 24 000 | 22 513 | 23 176 | 24 517 | 25 878 |
| 4. Legal | 1 542 | 1 882 | 2 313 | 3 111 | 3 111 | 3 076 | 3 563 | 3 511 | 3 732 |
| 5. Security | 1 497 | 1 330 | 1 910 | 1 928 | 1 928 | 2 492 | 2 577 | 2 767 | 2 941 |
| Total | 38 082 | 32 265 | 35 238 | 47 804 | 46 201 | 46 201 | 49 381 | 51 992 | 55 116 |

Table 9.12 : Summary of payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 36 062 | 31 623 | 34 641 | 47 346 | 44 722 | 44 854 | 48 901 | 51 486 | 54 569 |
| Compensation of employees | 14 249 | 17 217 | 17 729 | 30 172 | 27 697 | 27 663 | 30 943 | 33 411 | 35 895 |
| Goods and services | 21 813 | 14 406 | 16 912 | 17 174 | 17 025 | 17 191 | 17 958 | 18 075 | 18 674 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 152 | 16 | 212 | 12 | 33 | 54 | 13 | 14 | 16 |
| Provinces and municipalities | 10 | 10 | 10 | 12 | 12 | 12 | 13 | 14 | 16 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 142 | 6 | 202 | - | 21 | 42 | - | - | - |
| Payments for capital assets | 1 868 | 614 | 362 | 446 | 1 446 | 1 280 | 467 | 492 | 531 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 1 868 | 432 | 330 | 446 | 1 446 | 1 280 | 467 | 492 | 531 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | 182 | 32 | - | - | - | - | - | - |
| Payments for financial assets | - | 12 | 23 | - | - | 13 | - | - | - |
| Total | 38 082 | 32 265 | 35 238 | 47 804 | 46 201 | 46 201 | 49 381 | 51 992 | 55 116 |

The decrease from 2011/12 to 2012/13 was due to under-expenditure experienced in this programme in 2012/13, resulting from the previously mentioned delays in the roll-out of the decentralisation strategy, cost-cutting, particularly on administrative expenses, such as stationery and printing, as well as a decrease in spending against *Machinery and equipment* resulting from high spending in the previous year, as explained previously. The increase from 2013/14 to the 2014/15 Main Appropriation can be ascribed to the department budgeting for the roll-out of phase two of the new organisational structure. The decrease from the 2014/15 Main to Adjusted Appropriation pertains to R1.603 million being deducted from the department's budget due to a first charge against the department in respect of irregular expenditure incurred in prior years. The increase from the 2014/15 Adjusted Appropriation to 2015/16 pertains to the roll-out of the full organisational structure in line with the implementation of the Civilian Secretariat for Police Services Act. The increasing trend over the 2015/16 MTEF is mainly inflation related.

The increase in the sub-programme: Office of the HOD from 2011/12 to 2012/13 was mainly due to the annual wage agreements, as well as inflationary adjustments. The decrease in 2013/14 is due to the non-filling of vacant posts, such as the HOD's post, and cost-cutting, particularly on stationery and printing. The increase from 2013/14 to the 2014/15 Main Appropriation is due to the anticipated filling of the HOD and Office Manager posts. The increase in the 2014/15 Revised Estimate pertains to the filling of the Senior and Deputy Managers posts for Inter-Governmental Relations and Special Projects. The trend over the 2015/16 MTEF is largely inflation related.

The increase in the sub-programme: Financial Management from 2013/14 to the 2014/15 Main Appropriation is mainly due to the anticipated filling of posts in line with the implementation of phase two of the organisational structure. The decrease in the 2014/15 Adjusted from the Main Appropriation relates to the first charge against the department in respect of irregular expenditure incurred in prior years. The budget over the 2015/16 MTEF is inflation related.

The substantial decrease in the Corporate Services sub-programme from 2011/12 to 2012/13 was a result of service delivery programmes, such as crime awareness, being moved to Programme 2 in 2012/13, in line with the decentralisation strategy. Furthermore, fixed and administrative costs associated with the decentralisation strategy did not materialise as planned because of the late finalisation of the organisational structure. The substantial increase from 2013/14 to the 2014/15 Main Appropriation is due to the anticipated filling of posts in line with the implementation of the new organisational structure. The department is projecting to under-spend on this programme in 2014/15 mainly as a result of the non-filling of posts including the Senior Manager: Corporate Services. The increase over the 2015/16 MTEF is largely inflation related.

The trend from 2011/12 to 2017/18 against the sub-programme: Legal is largely inflationary by nature. The increase from 2013/14 to 2014/15 is due to filling of the Legal Administrative Officer post.

The trend from 2011/12 to 2017/18 against the Security sub-programme is largely inflationary by nature.

The trend over the seven years against *Compensation of employees* fluctuates. The substantial increase from 2013/14 to the 2014/15 Main Appropriation was due to the department budgeting for the roll-out of phase two of the new organisational structure in line with the implementation of the Civilian Secretariat for Police Services Act. The decrease from the 2014/15 Main to Adjusted Appropriation pertains to the non-filling of posts, including the Senior Manager: Corporate Services post. The budget over the 2015/16 MTEF caters for the full organisational structure and inflation increments.

The substantial decrease in *Goods and services* from 2011/12 to 2012/13 was due to service delivery programmes, such as crime prevention and awareness being moved to Programme 2, as mentioned. The decrease from the 2014/15 Main to Adjusted Appropriation relates to the previously mentioned first charge against the department in respect of irregular expenditure incurred in prior years. The increase over the 2015/16 MTEF is largely inflationary related.

Transfers and subsidies to: Provinces and municipalities is for motor vehicle licences.

Spending on *Transfers and subsidies to: Households* relates to staff exit costs. The fluctuations over the seven-year period pertain to the number of staff exits, which is difficult to accurately project.

The high spending against *Machinery and equipment* in 2011/12 is due to the fact that the department purchased computers and equipment to replace obsolete assets. The substantial increase from the 2014/15 Main to Adjusted Appropriation is for capital purchases to furnish and equip the district offices, and the purchase of departmental vehicles. The fluctuations over the seven-year period against this category result from its cyclical nature.

The amounts of R182 000 and R32 000 in 2012/13 and 2013/14, respectively, against *Software and other intangible assets* relate to the purchase and renewal of software licence fees for the Novell System (2012/13) and for computer software to facilitate the design of documents, booklets and other literature (2013/14).

The amounts against *Payments for financial assets* relate to the write-off of staff debts.

6.2 Programme 2: Civilian Oversight

Tables 9.13 and 9.14 below illustrate the summary of payments and estimates relating to Programme 2 presented per sub-programme and economic classification.

Programme 2 is the main service delivery programme of the department, and comprises five sub-programmes, namely Policy and Research, Monitoring and Evaluation, Safety Promotion, Community Police Relations, and Programme Support.

The main purpose of this programme is to perform the function of oversight over the Office of the Provincial Commissioner and specialised units, as well as community police relations at a provincial level. In addition, it performs the function of safety information analysis and conceptualisation which has to be done at a provincial level. The major key performance indicators within this programme are the VSCPP, focused and integrated interventions and events, community training programmes, etc. Various crime awareness projects, including school safety, substance abuse, stock theft, etc., characterise these interventions and events. The training programme is called the Societal Education to Build Safer Communities programme. This training programme was initiated in 2013/14. The CiDP, the capacitation and establishment of CPFs, and street committees form the major part of interventions and partnerships with communities.

Table 9.13 : Summary of payments and estimates by sub-programme: Civilian Oversight

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Policy and Research | 630 | 935 | 1 294 | 3 166 | 3 166 | 3 166 | 3 298 | 3 546 | 3 787 |
| 2. Monitoring and Evaluation | 14 161 | 14 863 | 8 505 | 20 221 | 13 521 | 12 453 | 21 924 | 23 620 | 25 262 |
| 3. Safety Promotion | 64 178 | 45 557 | 31 338 | 32 515 | 32 515 | 32 515 | 32 100 | 32 631 | 33 669 |
| 4. Community Police Relations | 27 002 | 40 698 | 93 921 | 75 889 | 82 589 | 84 527 | 78 534 | 84 717 | 80 355 |
| 5. Programme Support | 1 186 | 1 574 | 1 626 | 1 700 | 1 700 | 830 | 1 832 | 1 964 | 2 096 |
| Total | 107 157 | 103 627 | 136 684 | 133 491 | 133 491 | 133 491 | 137 688 | 146 478 | 145 169 |

Table 9.14 : Summary of payments and estimates by economic classification: Civilian Oversight

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 106 489 | 103 447 | 131 053 | 132 787 | 132 587 | 132 421 | 136 952 | 145 703 | 144 355 |
| Compensation of employees | 18 409 | 20 090 | 25 996 | 44 400 | 36 875 | 36 875 | 59 177 | 63 830 | 68 515 |
| Goods and services | 88 080 | 83 357 | 105 057 | 88 387 | 95 712 | 95 546 | 77 775 | 81 873 | 75 840 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 321 | - | 5 | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 289 | - | - | - | - | - | - | - | - |
| Households | 32 | - | 5 | - | - | - | - | - | - |
| Payments for capital assets | 347 | 180 | 5 626 | 704 | 904 | 1 070 | 736 | 775 | 814 |
| Buildings and other fixed structures | - | - | 312 | - | - | - | - | - | - |
| Machinery and equipment | 347 | 180 | 5 314 | 704 | 904 | 1 070 | 736 | 775 | 814 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 107 157 | 103 627 | 136 684 | 133 491 | 133 491 | 133 491 | 137 688 | 146 478 | 145 169 |

The Policy and Research sub-programme shows a slight increase from 2011/12 to 2012/13 due to increased research on crime prevention strategies, and policing needs of the province. The substantial increase from 2013/14 to 2014/15 is due to the implementation of the Civilian Secretariat for Police Services Act which includes an increase in *Compensation of employees* costs in respect of the roll-out of the new organisational structure. The budget over the 2015/16 MTEF is largely inflation related.

The substantial decrease in the sub-programme: Monitoring and Evaluation from 2012/13 to 2013/14 is due to the fact that crime awareness projects that were previously placed against this sub-programme were moved to the sub-programme: Community Police Relations in order to ensure alignment with the 2013/14 APP. The significant increase from 2013/14 to the 2014/15 Main Appropriation pertains to the anticipated implementation of phase two of the new organisational structure. The decrease from the 2014/15 Main to the Adjusted Appropriation is due to the above-mentioned process not commencing as planned, as explained previously. The trend over the 2015/16 MTEF is mainly inflation related.

The sub-programme: Safety Promotion houses the Social Sector EPWP Incentive Grant for Provinces. The department initially received this grant in 2012/13. In 2013/14 and 2014/15, the department continued to receive this grant, the purpose of which is to create work opportunities. The department uses this funding for social crime prevention volunteers who are employed within the VSCPP. This funding is allocated against *Goods and services*. An amount of R1 million was allocated to the department in respect of this grant in 2015/16, with no allocation in 2016/17 or 2017/18, at this stage.

The decrease from 2011/12 to 2013/14 against the sub-programme: Safety Promotion is due to the discontinuation of the call-centre and the movement of the crime awareness campaigns allocation from this sub-programme to the Community Police Relations sub-programme in line with the 2013/14 APP. This was due to the department intending for allocations that relate to an integrated strategy to target

communities to be located under one sub-programme, viz Community Police Relations. The decrease from the 2014/15 Adjusted Appropriation to 2015/16 is due to the reduced conditional grant allocation.

The increase from 2011/12 to 2012/13 in respect of the Community Police Relations sub-programme is specifically due to the movement of the crime awareness campaigns allocation from the Safety Promotion sub-programme, as explained above. The substantial increase in 2013/14 against this sub-programme is largely due to increased demand for crime awareness campaigns, and payment to SAPS for increased visible policing over the festive season. Projects which fall under crime awareness include, among others, victim empowerment, drug abuse, resolving political conflicts, etc. There was also a significant increase in the department's capital expenditure compared to 2012/13 emanating from the purchase of motor vehicles to cater for the roll-out of the decentralisation strategy and the implementation of the new organisational structure.

The substantial decrease against the sub-programme: Community Police Relations from 2013/14 to the 2014/15 Main Appropriation is specifically due to the reprioritisation of funds from this sub-programme to the Monitoring and Evaluation sub-programme to cater for posts pertaining to the second phase of the implementation of the new organisational structure. The increase from the 2014/15 Main to Adjusted Appropriation is due to the above-mentioned process not commencing as planned during 2014/15, thus a portion of these funds were moved back to the Community Police Relations sub-programme during the 2014/15 Adjustments Estimate process to cater for increased demand for crime awareness campaigns. The decrease in 2017/18 pertains to the roll-over of R7.723 million for the implementation of the new organisational structure from 2012/13 to 2016/17, which does not have carry-through costs, as mentioned previously, and this sub-programme, being the largest, was most affected. This will be reviewed by the department going forward.

The trend over the seven-year period against the sub-programme: Programme Support (which houses the office of the newly established Provincial Secretariat) is inflationary related. The substantial decrease from the 2014/15 Adjusted Appropriation to the 2014/15 Revised Estimate is due to the vacant post of the Provincial Secretary being filled later than anticipated.

The increase from 2013/14 to the 2014/15 Main Appropriation against *Compensation of employees* was to cater for the roll-out of phase two of the new organisational structure. The decrease in the 2014/15 Adjusted Appropriation pertains to the non-filling of posts as the implementation of phase one (which was due to be completed in 2013/14) still had to be completed, as explained previously. These savings were moved to *Goods and services*. The increase over the 2015/16 MTEF is due to the planned implementation of phases two and three of the new organisational structure. The department received additional funding for the roll-out of the new organisational structure (R5 million in both 2014/15 and 2015/16). The increase from 2015/16 to 2016/17 is in respect of the roll-over from 2012/13 to cater for the implementation of the roll-out of the new organisational structure. As mentioned above, due to the fixed and recurring cost of *Compensation of employees*, this category could not be cut-back in 2017/18, and therefore the impact of the roll-over (having no carry-through costs beyond 2016/17) has affected *Goods and services* and not *Compensation of employees*.

The decrease in *Goods and services* from 2011/12 to 2012/13 was mainly due to delays in leasing district offices and the discontinuation of the call-centre. The significant increase in 2013/14 is largely due to increased demand for crime awareness campaigns, and payment to SAPS for increased visible policing over the festive season. The increase from the 2014/15 Main to the Adjusted Appropriation pertains to savings realised from the non-filling of posts being moved to *Goods and services* to cater for higher than budgeted leasing and operational costs (cleaning services, security contracts, etc.) in respect of the decentralisation strategy, where the department had initially not budgeted for running costs for the district offices. The increase over the 2015/16 MTEF caters for inflationary related increases. Also, the department received conditional grant funding of R1 million in 2015/16. The decrease in 2017/18 pertains to the fact that the roll-over of R7.723 million from 2012/13 had no carry-through costs. Due to the fixed and recurring nature of *Compensation of employees*, this reduction was accommodated from the *Goods and services* budget, as mentioned previously.

The amount of R289 000 against *Transfers and subsidies to: Non-profit institutions* in 2011/12 relates to the purchase of a park-home in Umlazi, as mentioned previously.

Transfers and subsidies to: Households in 2011/12 pertains to staff exit costs and a donation to a funeral.

The amount of R312 000 against *Buildings and other fixed structures* in 2013/14 relates to the purchase of a park-home in the Ugu District as a temporary district office in line with the decentralisation strategy. As previously mentioned, this park-home is placed at the DOT regional office.

The fluctuations against *Machinery and equipment* relate to the fact that the department purchases machinery and equipment on a cyclical basis. The high spending in 2013/14 is mainly the result of the purchase of motor vehicles to cater for the roll-out of the decentralisation strategy and the implementation of the new organisational structure.

Service delivery measures – Programme 2: Civilian Oversight

Table 9.15 illustrates the main service delivery information relating to Programme 2, which were aligned, as far as possible, to the generic service delivery measures of the sector in 2015/16.

Table 9.15 : Service delivery measures – Programme 2: Civilian Oversight

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|---|---|-----------------------|---------------------|---------|---------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 1. Monitor SAPS levels of service delivery in KZN | • No. of stations monitored | 130 | 183 | 183 | 183 | |
| | • Annual report on the implementation of National Monitoring Tool (NMT) | 4 | 4 | 4 | 4 | |
| | • No. of Domestic Violence Act (DVA) and Independent Police Investigative Directive (IPID) Act compliance reports and M & E reports on special projects commissioned by the Civilian Secretariat for Police | 39 | 39 | 39 | 39 | |
| | • No. of specialised units and provincial SAPS Head Quarters (HQ) monitored | 9 | 10 | 11 | 12 | |
| | • No. of service delivery complaints management reports processed | 390 | 409 | 429 | 450 | |
| | • No. of Integrated Law Enforcement Initiatives facilitated | 4 | 4 | 4 | 4 | |
| | | | | | | |
| 2. Establish and maintain community safety partnerships | • No. of CSFs established and maintained | 13 | 13 | 13 | 13 | |
| | • No. of CPFs maintained | 183 | 183 | 183 | 183 | |
| | • No. of community safety structures established | 130 | 137 | 144 | 151 | |
| | • No. of initiatives to support community safety structures | 4 | 4 | 4 | 4 | |
| | • No. of crime prevention programmes implemented | 12 | 12 | 12 | 12 | |
| 3. Research into the policing needs of the province | • No. of research reports on provincial safety priorities | 1 | 1 | 1 | 1 | |
| | • No. of research reports on special projects commissioned by the Civilian Secretariat for Police | 1 | 1 | 1 | 1 | |
| | • No. of policing policies and directives reviewed | 1 | 1 | 1 | 1 | |
| | • No. of monitoring tools and safety models reviewed | 1 | 1 | 1 | 1 | |

7. Other programme information

7.1 Personnel numbers and cost

Tables 9.16 and 9.17 below reflect the personnel numbers and estimates pertaining to the department over the seven-year period.

As is evident from the tables, the department is increasing its permanent staff numbers from 150 (as per Table 9.17) in 2014/15 to 186 in 2015/16. This is due to the department budgeting to fill its full staff complement in line with the new approved organisational structure, hence the increase in *Compensation of*

employees over the 2015/16 MTEF period. The department is projecting to roll-out both phases two and three in 2015/16.

In 2013/14, the department anticipated to have completed the roll-out of phase one of the implementation of the new organisation structure. However, due to the JE process taking longer than projected, posts were only advertised toward the end of the year, and the roll-out of phase one had to continue into 2014/15.

As shown in Table 9.17, the department hires contract workers who are additional to the establishment. These contract personnel assist with the running of the VSCPP, are facilitators in the CPF programme, etc.

Table 9.16 : Personnel numbers and costs by programme

| 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 | 56 | 64 | 61 | 79 | 79 | 79 | 79 |
| 2. Civilian Oversight | 65 | 62 | 82 | 105 | 141 | 141 | 141 |
| Total | 121 | 126 | 143 | 184 | 220 | 220 | 220 |
| Total personnel cost (R thousand) | 32 658 | 37 307 | 43 725 | 64 538 | 90 120 | 97 241 | 104 410 |
| Unit cost (R thousand) | 270 | 296 | 306 | 351 | 410 | 442 | 475 |

Table 9.17 : Summary of departmental personnel numbers and costs by component

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------|---------|-----------------------|---------------------------|---------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Total for the department | | | | | | | | | |
| Personnel numbers (head count) | 121 | 126 | 143 | 184 | 184 | 184 | 220 | 220 | 220 |
| Personnel cost (R thousands) | 32 658 | 37 307 | 43 725 | 74 572 | 64 572 | 64 538 | 90 120 | 97 241 | 104 410 |
| Human resources component | | | | | | | | | |
| Personnel numbers (head count) | 7 | 7 | 7 | 14 | 14 | 14 | 14 | 14 | 14 |
| Personnel cost (R thousands) | 2 041 | 1 878 | 2 678 | 5 136 | 5 136 | 5 136 | 5 894 | 6 329 | 6 764 |
| Head count as % of total for department | 5.79 | 5.56 | 4.90 | 7.61 | 7.61 | 7.61 | 6.36 | 6.36 | 6.36 |
| Personnel cost as % of total for department | 6.25 | 5.03 | 6.12 | 6.89 | 7.95 | 7.96 | 6.54 | 6.51 | 6.48 |
| Finance component | | | | | | | | | |
| Personnel numbers (head count) | 15 | 17 | 16 | 19 | 19 | 19 | 19 | 19 | 19 |
| Personnel cost (R thousands) | 3 529 | 5 131 | 4 883 | 6 138 | 6 138 | 6 138 | 6 992 | 7 569 | 8 153 |
| Head count as % of total for department | 12.40 | 13.49 | 11.19 | 10.33 | 10.33 | 10.33 | 8.64 | 8.64 | 8.64 |
| Personnel cost as % of total for department | 10.81 | 13.75 | 11.17 | 8.23 | 9.51 | 9.51 | 7.76 | 7.78 | 7.81 |
| Full time workers | | | | | | | | | |
| Personnel numbers (head count) | 85 | 90 | 119 | 150 | 150 | 150 | 186 | 186 | 186 |
| Personnel cost (R thousands) | 30 801 | 35 238 | 40 096 | 70 720 | 59 210 | 59 176 | 83 537 | 90 227 | 96 978 |
| Head count as % of total for department | 70.25 | 71.43 | 83.22 | 81.52 | 81.52 | 81.52 | 84.55 | 84.55 | 84.55 |
| Personnel cost as % of total for department | 94.31 | 94.45 | 91.70 | 94.83 | 91.70 | 91.69 | 92.70 | 92.79 | 92.88 |
| Part-time workers | | | | | | | | | |
| Personnel numbers (head count) | - | - | - | - | - | - | - | - | - |
| Personnel cost (R thousands) | - | - | - | - | - | - | - | - | - |
| Head count as % of total for department | - | - | - | - | - | - | - | - | - |
| Personnel cost as % of total for department | - | - | - | - | - | - | - | - | - |
| Contract workers | | | | | | | | | |
| Personnel numbers (head count) | 36 | 36 | 24 | 34 | 34 | 34 | 34 | 34 | 34 |
| Personnel cost (R thousands) | 1 857 | 2 069 | 3 629 | 3 852 | 5 362 | 5 362 | 6 583 | 7 014 | 7 432 |
| Head count as % of total for department | 29.75 | 28.57 | 16.78 | 18.48 | 18.48 | 18.48 | 15.45 | 15.45 | 15.45 |
| Personnel cost as % of total for department | 5.69 | 5.55 | 8.30 | 5.17 | 8.30 | 8.31 | 7.30 | 7.21 | 7.12 |

7.2 Training

Tables 9.18 and 9.19 below reflect the actual and estimated expenditure on training per programme for the period 2011/12 to 2017/18, as well as the number of people involved in training for the period. The amounts reflected pertain to capacitating and improving the skills of the staff.

The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense on staff training. This requirement gives credence to government policy on human resource development. The department is abiding by this, and in most instances is exceeding the required 1 per cent.

Table 9.18 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

The expenditure on training against Programme 2 in 2011/12 and 2012/13 is due to the department using a portion of the funds allocated for improving the effectiveness of the SAPS programme, for capacitating SAPS members. It should be noted that the department did not train SAPS members on the tactical aspect of policing, but on how to deal with communities affected by crime. More specifically, SAPS members are taught how to deal with rape victims, and other victims of abuse.

The substantial increase in the training budget allocated in Programme 2 from 2012/13 to 2014/15 relates to the implementation of the Societal Education to Build Safer Communities programme. This project is an integral part of the department's partnership and relationship with the communities of KZN. The department, in the past, built community capacity to understand and respond to safety threats through a number of training courses. This has included, among others, the programme for CPFs, school safety courses, training of Traditional Leaders in social crime prevention and human rights, and life-skills programmes provided to young people. The department will continue to consolidate the various training modules and expand the training at a grass roots level.

Table 9.18 : Payments on training by programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|------------------------------|-----------------|------------|---------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 161 | 234 | 792 | 485 | 495 | 520 | 526 | 454 | 469 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | 161 | 234 | 792 | 485 | 495 | 520 | 526 | 454 | 469 |
| Other | - | - | - | - | - | - | - | - | - |
| 2. Civilian Oversight | 2 513 | 650 | 11 593 | 4 335 | 5 335 | 5 335 | 3 994 | 4 159 | 4 263 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | 2 513 | 650 | 11 593 | 4 335 | 5 335 | 5 335 | 3 994 | 4 159 | 4 263 |
| Other | - | - | - | - | - | - | - | - | - |
| Total | 2 674 | 884 | 12 385 | 4 820 | 5 830 | 5 855 | 4 520 | 4 613 | 4 732 |

Table 9.19 : Information on training: Community Safety and Liaison

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Number of staff | 121 | 126 | 143 | 184 | 184 | 184 | 220 | 220 | 220 |
| Number of personnel trained | 69 | 40 | 118 | 125 | 125 | 125 | 131 | 131 | 138 |
| of which | | | | | | | | | |
| Male | 28 | 12 | 56 | 60 | 60 | 60 | 62 | 62 | 65 |
| Female | 41 | 28 | 62 | 65 | 65 | 65 | 69 | 69 | 72 |
| Number of training opportunities | 31 | 14 | 21 | 24 | 24 | 24 | 26 | 26 | 27 |
| of which | | | | | | | | | |
| Tertiary | 8 | 6 | 8 | 10 | 10 | 10 | 12 | 12 | 13 |
| Workshops | 22 | 7 | 12 | 13 | 13 | 13 | 13 | 13 | 14 |
| Seminars | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Other | - | - | - | - | - | - | - | - | - |
| Number of bursaries offered | 8 | 6 | 8 | 12 | 12 | 12 | 12 | 12 | 13 |
| Number of interns appointed | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 16 |
| Number of learnerships appointed | - | - | - | - | - | - | - | - | - |
| Number of days spent on training | 57 | 21 | 40 | 40 | 40 | 40 | 40 | 45 | 47 |

ANNEXURE – VOTE 9: COMMUNITY SAFETY AND LIAISON

Table 9.A : Details of departmental receipts: Community Safety and Liaison

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|-----------|-----------|--------------------|------------------------|------------------|-----------------------|-----------|------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 54 | 54 | 60 | 63 | 63 | 63 | 69 | 73 | 76 |
| Sale of goods and services produced by dept. (excl. capital assets) | 54 | 54 | 60 | 63 | 63 | 63 | 69 | 73 | 76 |
| Sales by market establishments | - | 30 | 37 | 34 | 34 | 34 | 37 | 39 | 41 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Other sales | 54 | 24 | 23 | 29 | 29 | 29 | 32 | 34 | 35 |
| Of which | | | | | | | | | |
| Administration | 34 | - | - | - | - | - | - | - | - |
| Commission on insurance | 20 | 24 | 23 | 29 | 29 | 29 | 32 | 34 | 36 |
| Sale of scrap, waste, arms and other used current goods (excl. capital assets) | - | - | - | - | - | - | - | - | - |
| Transfers received from: | - | - | - | - | - | - | - | - | - |
| Other governmental units | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments | - | - | - | - | - | - | - | - | - |
| International organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Households and non-profit institutions | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | 1 | - | - | - | - | - | - | - | - |
| Interest | 1 | - | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Other capital assets | - | - | - | - | - | - | - | - | - |
| Transactions in financial assets and liabilities | 15 | 21 | 19 | 22 | 22 | 22 | 23 | 24 | 25 |
| Total | 70 | 75 | 79 | 85 | 85 | 85 | 92 | 97 | 101 |

Table 9.B : Payments and estimates by economic classification: Community Safety and Liaison

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|----------------|----------------|----------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 142 551 | 135 070 | 165 694 | 180 133 | 177 309 | 177 275 | 185 853 | 197 189 | 198 924 |
| Compensation of employees | 32 658 | 37 307 | 43 725 | 74 572 | 64 572 | 64 538 | 90 120 | 97 241 | 104 410 |
| Salaries and wages | 29 008 | 31 378 | 39 391 | 69 147 | 59 147 | 59 063 | 80 531 | 87 067 | 91 037 |
| Social contributions | 3 650 | 5 929 | 4 334 | 5 425 | 5 425 | 5 475 | 9 589 | 10 174 | 13 373 |
| Goods and services | 109 893 | 97 763 | 121 969 | 105 561 | 112 737 | 112 737 | 95 733 | 99 948 | 94 514 |
| Administrative fees | - | - | - | 2 | 2 | 2 | 2 | 2 | 2 |
| Advertising | 8 342 | 9 194 | 4 515 | 2 329 | 2 459 | 2 260 | 926 | 1 332 | 1 419 |
| Assets less than the capitalisation threshold | 106 | 158 | 309 | 978 | 1 907 | 1 907 | 596 | 1 057 | 926 |
| Audit cost: External | 1 390 | 1 509 | 2 512 | 1 890 | 1 444 | 2 232 | 1 890 | 1 690 | 1 746 |
| Bursaries: Employees | 105 | 90 | 58 | 141 | 141 | 141 | 148 | 148 | 148 |
| Catering: Departmental activities | 3 502 | 4 682 | 8 565 | 4 119 | 7 034 | 7 037 | 1 698 | 2 131 | 1 301 |
| Communication (G&S) | 4 819 | 1 848 | 1 346 | 2 214 | 1 822 | 1 822 | 2 101 | 2 211 | 2 286 |
| Computer services | 825 | 558 | 1 469 | 803 | 1 448 | 1 448 | 4 866 | 5 124 | 5 293 |
| Cons & prof serv: Business and advisory services | 3 554 | 2 525 | 798 | 2 030 | 5 085 | 5 085 | 856 | 868 | 896 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 1 472 | - | 11 | 568 | 275 | 275 | 568 | 289 | 289 |
| Contractors | 6 076 | 7 401 | 9 027 | 3 851 | 4 153 | 4 488 | 1 409 | 1 544 | 1 596 |
| Agency and support / outsourced services | 9 358 | 8 058 | 13 393 | 7 055 | 8 351 | 8 324 | 7 088 | 7 574 | 3 804 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | 1 633 | 1 618 | 1 718 | 1 990 | 1 635 | 1 635 | 2 043 | 2 151 | 2 223 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 41 | 29 | 35 | 184 | 163 | 137 | 139 | 145 | 125 |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | 342 | - | 46 | 46 | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 315 | 921 | 767 | 1 008 | 1 156 | 1 161 | 1 000 | 1 053 | 1 088 |
| Consumable: Stationery, printing and office supplies | 2 265 | 1 249 | 2 284 | 5 430 | 4 351 | 3 735 | 2 781 | 2 928 | 3 026 |
| Operating leases | 4 788 | 4 065 | 5 097 | 11 898 | 11 223 | 10 560 | 14 149 | 14 593 | 15 221 |
| Property payments | 1 126 | 1 054 | 467 | 1 685 | 1 149 | 902 | 4 636 | 4 746 | 4 902 |
| Transport provided: Departmental activity | 5 765 | 4 700 | 9 013 | 4 032 | 6 805 | 6 818 | 2 600 | 2 860 | 1 954 |
| Travel and subsistence | 7 289 | 6 851 | 10 711 | 7 320 | 12 052 | 11 485 | 8 318 | 8 766 | 8 470 |
| Training and development | 2 674 | 884 | 12 385 | 4 820 | 5 830 | 5 855 | 4 520 | 4 613 | 4 732 |
| Operating payments | 32 407 | 29 162 | 25 037 | 36 861 | 27 620 | 28 399 | 31 000 | 31 378 | 32 281 |
| Venues and facilities | 12 041 | 11 207 | 12 110 | 4 353 | 6 586 | 6 983 | 2 399 | 2 745 | 786 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 473 | 16 | 217 | 12 | 33 | 54 | 13 | 14 | 16 |
| Provinces and municipalities | 10 | 10 | 10 | 12 | 12 | 12 | 13 | 14 | 16 |
| Provinces | 10 | 10 | 10 | 12 | 12 | 12 | 13 | 14 | 16 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 10 | 10 | 10 | 12 | 12 | 12 | 13 | 14 | 16 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 289 | - | - | - | - | - | - | - | - |
| Households | 174 | 6 | 207 | - | 21 | 42 | - | - | - |
| Social benefits | 173 | 6 | 199 | - | 21 | 42 | - | - | - |
| Other transfers to households | 1 | - | 8 | - | - | - | - | - | - |
| Payments for capital assets | 2 215 | 794 | 5 988 | 1 150 | 2 350 | 2 350 | 1 203 | 1 267 | 1 345 |
| Buildings and other fixed structures | - | - | 312 | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | 312 | - | - | - | - | - | - |
| Machinery and equipment | 2 215 | 612 | 5 644 | 1 150 | 2 350 | 2 350 | 1 203 | 1 267 | 1 345 |
| Transport equipment | 677 | - | 3 883 | - | - | - | - | - | 115 |
| Other machinery and equipment | 1 538 | 612 | 1 761 | 1 150 | 2 350 | 2 350 | 1 203 | 1 267 | 1 230 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | 182 | 32 | - | - | - | - | - | - |
| Payments for financial assets | - | 12 | 23 | - | - | 13 | - | - | - |
| Total | 145 239 | 135 892 | 171 922 | 181 295 | 179 692 | 179 692 | 187 069 | 198 470 | 200 285 |

Table 9.C : Payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 36 062 | 31 623 | 34 641 | 47 346 | 44 722 | 44 854 | 48 901 | 51 486 | 54 569 |
| Compensation of employees | 14 249 | 17 217 | 17 729 | 30 172 | 27 697 | 27 663 | 30 943 | 33 411 | 35 895 |
| Salaries and wages | 12 949 | 13 206 | 15 702 | 28 193 | 25 718 | 25 684 | 27 981 | 30 277 | 31 990 |
| Social contributions | 1 300 | 4 011 | 2 027 | 1 979 | 1 979 | 1 979 | 2 962 | 3 134 | 3 905 |
| Goods and services | 21 813 | 14 406 | 16 912 | 17 174 | 17 025 | 17 191 | 17 958 | 18 075 | 18 674 |
| Administrative fees | - | - | - | 2 | 2 | 2 | 2 | 2 | 2 |
| Advertising | 7 995 | 3 774 | 606 | 576 | 700 | 501 | 598 | 949 | 992 |
| Assets less than the capitalisation threshold | 87 | 77 | 74 | 171 | 100 | 100 | 176 | 186 | 192 |
| Audit cost: External | 1 390 | 1 509 | 2 512 | 1 890 | 1 444 | 2 232 | 1 890 | 1 690 | 1 746 |
| Bursaries: Employees | 105 | 90 | 58 | 141 | 141 | 141 | 148 | 148 | 148 |
| Catering: Departmental activities | 23 | 152 | 208 | 87 | 200 | 200 | 88 | 93 | 97 |
| Communication (G&S) | 786 | 816 | 1 088 | 1 004 | 1 565 | 1 565 | 1 043 | 1 097 | 1 135 |
| Computer services | 819 | 558 | 1 442 | 803 | 953 | 953 | 866 | 912 | 942 |
| Cons & prof serv: Business and advisory services | 412 | 267 | 798 | 56 | 25 | 25 | 56 | 59 | 61 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 15 | - | 11 | 568 | 275 | 275 | 568 | 289 | 289 |
| Contractors | 205 | 160 | 203 | 9 | 11 | 346 | 9 | 9 | 10 |
| Agency and support / outsourced services | 250 | 134 | 526 | 268 | 765 | 738 | 288 | 302 | 314 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | 401 | 449 | 733 | 478 | 1 536 | 1 536 | 1 043 | 1 098 | 1 135 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 18 | 13 | 21 | 83 | 62 | 36 | 84 | 87 | 91 |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | 91 | - | 19 | 19 | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medcas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 158 | 23 | 197 | - | 148 | 148 | - | - | - |
| Consumable: Stationery, printing and office supplies | 1 257 | 581 | 978 | 2 809 | 1 260 | 644 | 2 241 | 2 360 | 2 438 |
| Operating leases | 4 788 | 4 062 | 5 068 | 4 841 | 4 749 | 4 252 | 5 852 | 5 962 | 6 159 |
| Property payments | 1 126 | 889 | 425 | 1 685 | 1 086 | 817 | 1 236 | 1 166 | 1 204 |
| Transport provided: Departmental activity | - | - | 109 | - | - | 13 | - | - | - |
| Travel and subsistence | 1 039 | 456 | 836 | 970 | 1 286 | 1 079 | 924 | 874 | 902 |
| Training and development | 161 | 234 | 792 | 485 | 495 | 520 | 526 | 454 | 469 |
| Operating payments | 10 | 24 | 17 | 6 | 13 | 792 | - | - | - |
| Venues and facilities | 768 | 138 | 119 | 242 | 190 | 257 | 320 | 338 | 348 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 152 | 16 | 212 | 12 | 33 | 54 | 13 | 14 | 16 |
| Provinces and municipalities | 10 | 10 | 10 | 12 | 12 | 12 | 13 | 14 | 16 |
| Provinces | 10 | 10 | 10 | 12 | 12 | 12 | 13 | 14 | 16 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 10 | 10 | 10 | 12 | 12 | 12 | 13 | 14 | 16 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 142 | 6 | 202 | - | 21 | 42 | - | - | - |
| Social benefits | 142 | 6 | 194 | - | 21 | 42 | - | - | - |
| Other transfers to households | - | - | 8 | - | - | - | - | - | - |
| Payments for capital assets | 1 868 | 614 | 362 | 446 | 1 446 | 1 280 | 467 | 492 | 531 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 1 868 | 432 | 330 | 446 | 1 446 | 1 280 | 467 | 492 | 531 |
| Transport equipment | 677 | - | - | - | - | - | - | - | 115 |
| Other machinery and equipment | 1 191 | 432 | 330 | 446 | 1 446 | 1 280 | 467 | 492 | 416 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | 182 | 32 | - | - | - | - | - | - |
| Payments for financial assets | - | 12 | 23 | - | - | 13 | - | - | - |
| Total | 38 082 | 32 265 | 35 238 | 47 804 | 46 201 | 46 201 | 49 381 | 51 992 | 55 116 |

Table 9.D : Payments and estimates by economic classification: Civilian Oversight

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|-----------------------|---------------------------|---------------------|-----------------------|----------------|----------------|
| R thousand | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 106 489 | 103 447 | 131 053 | 132 787 | 132 587 | 132 421 | 136 952 | 145 703 | 144 355 |
| Compensation of employees | 18 409 | 20 090 | 25 996 | 44 400 | 36 875 | 36 875 | 59 177 | 63 830 | 68 515 |
| Salaries and wages | 16 059 | 18 172 | 23 689 | 40 954 | 33 429 | 33 379 | 52 550 | 56 790 | 59 047 |
| Social contributions | 2 350 | 1 918 | 2 307 | 3 446 | 3 446 | 3 496 | 6 627 | 7 040 | 9 468 |
| Goods and services | 88 080 | 83 357 | 105 057 | 88 387 | 95 712 | 95 546 | 77 775 | 81 873 | 75 840 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | 347 | 5 420 | 3 909 | 1 753 | 1 759 | 1 759 | 328 | 383 | 427 |
| Assets less than the capitalisation threshold | 19 | 81 | 235 | 807 | 1 807 | 1 807 | 420 | 871 | 734 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 3 479 | 4 530 | 8 357 | 4 032 | 6 834 | 6 837 | 1 610 | 2 038 | 1 204 |
| Communication (G&S) | 4 033 | 1 032 | 258 | 1 210 | 257 | 257 | 1 058 | 1 114 | 1 151 |
| Computer services | 6 | - | 27 | - | 495 | 495 | 4 000 | 4 212 | 4 351 |
| Cons & prof serv: Business and advisory services | 3 142 | 2 258 | - | 1 974 | 5 060 | 5 060 | 800 | 809 | 835 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 1 457 | - | - | - | - | - | - | - | - |
| Contractors | 5 871 | 7 241 | 8 824 | 3 842 | 4 142 | 4 142 | 1 400 | 1 535 | 1 586 |
| Agency and support / outsourced services | 9 108 | 7 924 | 12 867 | 6 787 | 7 586 | 7 586 | 6 800 | 7 272 | 3 490 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | 1 232 | 1 169 | 985 | 1 512 | 99 | 99 | 1 000 | 1 053 | 1 088 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 23 | 16 | 14 | 101 | 101 | 101 | 55 | 58 | 34 |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | 251 | - | 27 | 27 | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 157 | 898 | 570 | 1 008 | 1 008 | 1 013 | 1 000 | 1 053 | 1 088 |
| Consumable: Stationery, printing and office supplies | 1 008 | 668 | 1 306 | 2 621 | 3 091 | 3 091 | 540 | 568 | 588 |
| Operating leases | - | 3 | 29 | 7 057 | 6 474 | 6 308 | 8 297 | 8 631 | 9 062 |
| Property payments | - | 165 | 42 | - | 63 | 85 | 3 400 | 3 580 | 3 698 |
| Transport provided: Departmental activity | 5 765 | 4 700 | 8 904 | 4 032 | 6 805 | 6 805 | 2 600 | 2 860 | 1 954 |
| Travel and subsistence | 6 250 | 6 395 | 9 875 | 6 350 | 10 766 | 10 406 | 7 394 | 7 892 | 7 568 |
| Training and development | 2 513 | 650 | 11 593 | 4 335 | 5 335 | 5 335 | 3 994 | 4 159 | 4 263 |
| Operating payments | 32 397 | 29 138 | 25 020 | 36 855 | 27 607 | 27 607 | 31 000 | 31 378 | 32 281 |
| Venues and facilities | 11 273 | 11 069 | 11 991 | 4 111 | 6 396 | 6 726 | 2 079 | 2 407 | 438 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 321 | - | 5 | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 289 | - | - | - | - | - | - | - | - |
| Households | 32 | - | 5 | - | - | - | - | - | - |
| Social benefits | 31 | - | 5 | - | - | - | - | - | - |
| Other transfers to households | 1 | - | - | - | - | - | - | - | - |
| Payments for capital assets | 347 | 180 | 5 626 | 704 | 904 | 1 070 | 736 | 775 | 814 |
| Buildings and other fixed structures | - | - | 312 | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | 312 | - | - | - | - | - | - |
| Machinery and equipment | 347 | 180 | 5 314 | 704 | 904 | 1 070 | 736 | 775 | 814 |
| Transport equipment | - | - | 3 883 | - | - | - | - | - | - |
| Other machinery and equipment | 347 | 180 | 1 431 | 704 | 904 | 1 070 | 736 | 775 | 814 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 107 157 | 103 627 | 136 684 | 133 491 | 133 491 | 133 491 | 137 688 | 146 478 | 145 169 |

Table 9.E : Payments and estimates by economic classification: Conditional grant: Social Sector EPWP Incentive Grant for Provinces

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|---------|---------|---------------|---------------|----------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | 792 | 3 758 | 2 580 | 2 580 | 2 580 | 1 000 | - | - |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Salaries and wages | - | - | - | - | - | - | - | - | - |
| Social contributions | - | - | - | - | - | - | - | - | - |
| Goods and services | - | 792 | 3 758 | 2 580 | 2 580 | 2 580 | 1 000 | - | - |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | - | - | - | - | - | - | - | - | - |
| Assets less than the capitalisation threshold | - | - | - | - | - | - | - | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | - | - | - | - | - | - | - | - |
| Communication (G&S) | - | - | - | - | - | - | - | - | - |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | - | - | - | - | - | - | - | - | - |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | - | - | - | - | - | - | - |
| Consumable: Stationery, printing and office supplies | - | - | - | - | - | - | - | - | - |
| Operating leases | - | - | - | - | - | - | - | - | - |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | - | - | - | - | - | - | - | - | - |
| Training and development | - | - | - | - | - | - | - | - | - |
| Operating payments | - | 792 | 3 758 | 2 580 | 2 580 | 2 580 | 1 000 | - | - |
| Venues and facilities | - | - | - | - | - | - | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | - | - | - | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | - | 792 | 3 758 | 2 580 | 2 580 | 2 580 | 1 000 | - | - |

VOTE 10

The Royal Household

It must be noted that Proclamation No. 83 of 2014, which was signed by the President of South Africa on 12 of December 2014, combines Vote 10: The Royal Household with Vote 1: Office of the Premier. In line with the recommendations of the A-G, this merging is effective from 1 April 2015 and, therefore, the functions and budget of the Royal Household (including the public entity, the Royal Household Trust) are added to Vote 1's functions and budget. As such, there is no Vote 10 chapter in the 2015/16 *EPRE*. See the departmental chapter relating to Vote 1: Office of the Premier on pages 1 to 46.

VOTE 11

Co-operative Governance and Traditional Affairs

| | |
|---------------------------------|---|
| Operational budget | R 1 366 221 423 |
| MEC remuneration | R 1 821 577 |
| Total amount to be appropriated | R 1 368 043 000 |
| Responsible MEC | MEC for Co-operative Governance and Traditional Affairs |
| Administering department | Co-operative Governance and Traditional Affairs |
| Accounting officer | Head: Co-operative Governance and Traditional Affairs |

1. Overview

Vision

The vision of the Department of Co-operative Governance and Traditional Affairs (COGTA) is: *People centred sustainable co-operative governance*.

Mission statement

The department's mission statement is: *"The department will co-ordinate and foster co-operation among governance institutions and build capacity to accelerate delivery of high quality services to communities"*.

Strategic objectives

The department has five main *strategic policy directions*, namely five key priorities of government including the creation of sustainable livelihood, skills development, healthy communities, rural development, and the fight against corruption; KZN Provincial Government Integrated Programme of Action; national outcome relating to a responsive, accountable, effective and efficient local government system; and the mandate ranging from the co-ordination of organs of state to ensure maximum impact of co-operative governance to clarifying the role of the private sector and of state-owned enterprises in the new dispensation.

The strategic goals of the department are as follows:

- *Improved co-operative governance*. The strategic objective supporting this goal is:
 - Improved functionality of Inter-Governmental Relations (IGR).
- *Strengthened governance*. The strategic objectives supporting this goal are:
 - Improved administrative management.
 - Strengthened accountability of governance institutions.
 - Improved decision making through citizen participation.
- *Increased economic opportunities*. The strategic objectives supporting this goal are:
 - Strengthened sectoral development.
 - Improved government led job creation programmes.
 - Improved decision making through citizen participation.
- *Strengthened delivery of basic services*. The strategic objective supporting this goal is:
 - Improved co-ordination of service delivery.

- *Improved spatial equity.* The strategic objective supporting this goal is:
 - Improved spatial hierarchy of services.
- *Enhanced response to climate change.* The strategic objectives supporting this goal are:
 - Increased adaptation to climate change impacts.
 - Improved disaster management.

Core functions

The mandate of the department is as follows:

- To co-ordinate all organs of state to ensure maximum impact.
- Interventionist approach.
- Improved internal and external co-operation and outcomes based IGR structures.
- Ensure single window of co-ordination and regulation of national, provincial and local government.

In essence, the mandate of the department at the centre of integrated development has the following functions:

- Co-ordination, both vertically and horizontally, and doing away with the silo approach across the province.
- The key area of focus is planning. The department is repositioned as a critical ally of the Planning Commission to align planning across the three spheres of government, by strengthening Integrated Development Plans (IDPs).
- Ensuring the alignment of priorities of both national and provincial departments implemented in a local space in the municipal IDPs.
- Ensure that IDP encapsulates the provincial priorities and budget in a co-ordinated manner.
- Enhance the IGR framework support integration (IGR framework to be reviewed and strengthened).
- Ensure seamless service delivery in a co-ordinated manner supported by emerging legislated processes.
- Put development planning at the centre stage.
- Put people at the centre of development.

The department will continue to support and ensure that there is alignment between the national, provincial, as well as local government priorities. Working together with different stakeholders in the province and countrywide, the department is committed to contributing toward realisation and achievement of government's priorities as spelt out in the MTSF.

Legislative mandate

The legislative mandate of COGTA is presented below.

Constitutional mandate

The mandates of COGTA are embodied in the following sections of the Constitution, 1996:

- Section 139 provides for provincial intervention in local government. This intervention in municipalities includes the issuing of directives and managing interventions by the Provincial Executive Council, in accordance with the provisions of section 139(1)(b) and (c).
- Section 154 determines that provincial governments must provide support and capacity-building to municipalities by legislative and other means, to assist municipalities to manage their own affairs, to exercise their powers and to perform their functions.
- Section 155(5) and (6) determines the types of municipalities in KZN, and establishes municipalities in KZN, whereafter the municipalities, by legislative and other measures, must be monitored and

supported, in addition to which the department must promote the development of local government capacity, to enable municipalities to perform their functions and manage their own affairs.

- Section 155(7) stipulates that provincial governments have legislative and executive authority to see to the effective performance by municipalities of their functions in respect of matters listed in Schedules 4 and 5, by regulating the exercise by municipalities of their executive authority referred to in section 156(1).

Specific legislation for the department

- Municipal Systems Act (Act No. 32 of 2000)
- Municipal Structures Act (Act No. 117 of 1998)
- Municipal Financial Management Act (Act No. 53 of 2003)
- Municipal Property Rates Act (Act No. 6 of 2004)
- Local Government Demarcation Act (Act No. 6 of 2004)
- Local Government Municipal Electoral Act (Act No. 27 of 2000)
- Traditional Leadership and Governance Framework Act (Act No. 41 of 2003)
- Disaster Management Act (Act No. 57 of 2002)
- Spatial Planning and Land Use Management Act (Act No. 16 of 2013)
- Infrastructure Development Act (Act No. 23 of 2014)
- Municipal Fiscal Powers and Functions Act (Act No. 12 of 2007)
- Remuneration of Public Office Bearers Act (Act No. 20 of 1998)
- KwaZulu-Natal Planning and Development Act (Act No. 6 of 2008)
- KwaZulu-Natal Pounds Act (Act No. 3 of 2006)
- KwaZulu-Natal Cemeteries and Crematoria Act (Act No. 32 of 2000)
- KwaZulu-Natal Determination of Types of Municipalities Act (Act No. 7 of 2000)
- KwaZulu-Natal Traditional Leadership and Governance Act (Act No. 5 of 2005)
- Fire Brigade Services Act (Act No. 99 of 1987)
- Public Service Act (Proclamation No. 103 of 1994)
- Employment Equity Act (Act No. 55 of 1998)
- Labour Relations Act (Act No. 66 of 1995)

General legislation for departments dealing with local government and traditional affairs

- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- KZN Provincial Supply Chain Management (SCM) Policy Framework (2006)
- Public Service Regulations
- Annual Division of Revenue Act

Specific legislation applicable to municipalities

In addition to the above, there are particular pieces of legislation which apply specifically to municipalities and relate to the department's oversight, co-operation, co-ordination and alignment functions:

- Development Facilitation Act (Act No. 67 of 1995)
- Water Services Act (Act No. 108 of 1997)
- Communal Land Rights Act (Act No. 11 of 2004)

2. Review of the 2014/15 financial year

Section 2 provides a review of 2014/15, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments.

Municipal Finance

The department identified 20 municipalities and supported them with the implementation of the audit response plan to improve audit outcomes. Also, the eMadlangeni, uMhlathuze and Jozini municipalities were supported with the expenditure management framework. The areas that were supported include the fast-tracking of expenditure on capital grants. The department conducted four workshops on the implementation of anti-corruption/fraud prevention strategies/plans at the following municipalities, Impendle, Imbabazane, Emnambithi and uPhongolo, and fraud risk registers were developed at three municipalities (Impendle, Imbabazane and Emnambithi).

Public Participation

The draft Ward Committee Functionality Maintenance guidelines were developed, which will be used to support municipalities with the maintenance of functional ward committees. Also, the Community Participation Planning guidelines were developed and adopted. These guidelines will be used to support municipalities with the development of Community Participation Plans. In addition, the war-room maintenance plan was developed and adopted and will be used to support municipalities with the maintenance of functional war-rooms. The Procedural Framework to accommodate community awareness and dissatisfaction was rolled out to municipalities in conjunction with the Municipal Administration Rapid Response Team.

Land Use Management

The Land Use Management (LUM) benchmark was reviewed and implemented in 51 municipalities. The 2014/15 Municipal Support Programme (MSP) was developed and communicated to municipalities. The programme to support municipalities with the formalisation of settlements was developed and approved. The programme for the development and roll-out of provincial norms and standards was developed, and the process of appointing service providers to support the committees is underway.

Local Economic Development (LED)

Special initiatives – The department transferred funds to 10 municipalities for various projects, and implementation plans are in place and regular meetings are held to monitor progress. These projects include the Msunduzi Municipality receiving R8 million for the next phase of the implementation of the Urban Renewal Framework Plan, and the Independent Development Trust (IDT) was appointed as the implementing agent. The implementation of the Umtshezi solar street lights green initiative project is underway and a capacity building session focusing on the Small Town Rehabilitation strategy was held in partnership with the South African Local Government Authority (SALGA). Five district municipalities, namely Ugu, Uthukela, uMgungundlovu, Harry Gwala and Zululand were supported with the establishment of District Development Agencies (DDAs). The purpose of the DDAs is to promote and develop economic potential on a local and/or regional basis to allow for effective business and investor facilitation and support to reduce regulatory burden.

Community Service Centres (CSCs) – Five municipalities (uMlalazi, Umfolozi, Jozini, Ingwe and Abaqulusi) were supported with the construction of CSCs in line with the CSC Hierarchy Framework. The department created 63 employment opportunities through the implementation of the CSC programme and conducted workshops for 42 municipalities on the CSC Functionality Framework.

Community Work Programme (CWP) – A strategy to address challenges with the implementation of CWP with the inclusion of traditional authority areas was developed, where 30 288 employment opportunities were maintained. The department developed a strategy to address non-functional CWP committees. Also, 727 work opportunities were created through the Food for Waste (FFW) programme, where the most needy community members collect domestic waste from households and in public places.

Expanded Public Works Programme (EPWP) – With regard to EPWP, 700 job opportunities were created through the implementation of COGTA funded initiatives, and 61 municipalities were supported with regard to reporting and accessing the EPWP Integrated Grant for Provinces.

Disaster Management

The department developed a Winter Contingency Plan and distributed it to all stakeholders. A planning session was held to develop the Summer Contingency Plan. Two provincial Disaster Management Advisory Forum meetings were held for sector co-ordination, and all district Disaster Management Advisory Forums were provided with support by the Provincial Disaster Management Centre (PDMC) team to ensure effective co-ordination of disaster management at municipal level. The 10 districts and Metro were supported to ensure that municipal Disaster Risk Management Plans are aligned with their respective IDPs. They were also supported with emergency relief measures such as tents and blankets. The department registered 45 people for fire-fighting training, and all 61 municipalities participated in the USA 911 Fund fire-fighting training and other specialised fields.

Traditional Institutional Administration

The department supported 110 Traditional Administrative Centres (TACs) with updating their movable asset registers. Also, 30 Traditional Councils (TCs) were supported with the use of the Pastel Evolution software for the traditional levies and trust account and 131 TCs were supported to implement the financial management practice notes. The department installed one *Amakhosi* and nine were recognised, and a dispute resolution and conflict management framework was implemented.

3. Outlook for the 2015/16 financial year

Section 3 looks at the key focus areas of 2015/16, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

With the 2015/16 budget, the department will continue to support municipalities by providing capacity building programmes (such as councillor training, Operation Clean Audit, human resource management and development, etc.) to enable municipalities to implement various projects under the Massification, Corridor Development, Disaster Management and Small Town Rehabilitation programmes. These are the major programmes that the department assist municipalities with on an ongoing basis and, as such, the need to provide support and training to enable the municipalities to undertake the various projects (which include town formalisation and beautification, electrification, provision of water and sanitation, among others) in support of service delivery. The department will continue to construct and rehabilitate various houses for *Amakhosi* relating to the *Imizi Yesizwe* (project where houses are built for *Amakhosi*), TACs and CSCs.

Local governance

Poor performance in municipalities is a serious concern and some of the challenges being experienced include:

- Lack of response to service delivery challenges by municipalities.
- Inadequate public participation and dysfunctional ward committees.
- Poor financial viability of municipalities and its impact on service delivery.
- Lack of skilled staff at municipal level.
- High level of fraud and corruption within local government.

Supporting IGR and improved co-ordination within local government across spheres of government and among stakeholders will enhance effectiveness of local government as the sphere of government closest to the delivery of services to the communities.

Support to municipalities in critical areas such as human resource management and development, as well as governance will be a key priority. Capacitation and empowerment of councillors and municipal officials will be achieved through accredited training programmes, various workshops and knowledge sharing opportunities.

Operation Clean Audit remains a key programme in ensuring all municipalities display good financial governance, sound financial management and accountability. Also, revenue management and enhancement will be a focus through support in the second cycle of general valuation rolls in preparation

by municipalities in terms of the Municipal Property Rates Act (MPRA). The department will ensure the establishment and orientation of evaluation appeal boards in the province, and promoting effective performance monitoring, reporting and evaluation in municipalities will be focus areas toward clean audit and effective oversight. To ensure that there is adequate knowledge sharing with regard to municipal financial management, the department will convene bi-annual CFO forums.

Development and planning

KZN is positioning itself as a gateway to Africa and the world. This requires practical interventions in the use of human and natural resources to create a safe, healthy and sustainable living environment. As such, development and planning is critical in addressing abject poverty, inequality, unemployment and lack of basic services.

The department has therefore customised its support to municipalities to align with the ever changing economic development environment. The function of local economic development is premised on municipal local economic development capacity building and project implementation support aligned to priority sectors in the PGDP. The department is supporting municipal capacity for effective development planning, policy making and strategy implementation. The capacity building interventions are aimed at responding to the capacity constraints experienced in most municipalities and two main programmes were introduced to address capacity, namely the university entry level qualification in LED and the DDAs programme.

To address the lack of investment in the various nodes and corridors, and to complement the work that is being done by other sectors in the LED space, the department is rolling out the Small Town Rehabilitation and Corridor Development programmes with a special focus on addressing the infrastructure needs for investors to create a more conducive environment for job creation and strengthen the response to the ever changing economic development environment.

In terms of the back to basics approach, the planning, implementation and maintenance of basic infrastructure is critical for sustaining basic standards of living and economic activity in municipalities. All municipalities will therefore need to:

- Develop fundable consolidated infrastructure plans.
- Ensure infrastructure maintenance and repairs to reduce losses.
- Ensure the provision of free basic services and the maintenance of an indigent register.

With regard to this, the department will support the implementation of operation and maintenance plans and ensure a systematic approach to service delivery. The department will also ensure that municipalities acquire the necessary skills required for infrastructure management.

Traditional institutional management

The department will continue to support Local Houses with social cohesion and moral regeneration engagements aimed at alleviating prevalent social ills.

Traditional leaders have a definitive role to play in development and job creation in the rural economy. The department must therefore support traditional communities by facilitating the establishment of vital development partnerships. The department will provide ongoing support, monitor the programme and propose critical reviews necessary to strengthen partnerships. The department will provide capacity building programmes for the Institution of Traditional Leadership to ensure the functionality of all structures within the institution by enrolling more traditional leaders into accredited leadership development programmes.

The department will continue to support the institution of traditional leadership in terms of recognition of new *Amakhosi* to fill existing vacancies, resolve emerging disputes and support the Commission on Traditional Leadership Disputes and Claims. The department will also provide support to TCs in ensuring good and proper financial management in line with the PFMA in respect of revenue collection and accounting for monies collected in traditional communities.

Focus will also be given to TCs and ward committees. The implementation of Section 81 of the Municipal Structures Act will continue to ensure continued representation of traditional leaders in local government structures. In supporting the orderly development of traditional communities, the department will continue to support TCs in the performance of their land administration functions through capacity building, development of land-use databases and the lodging of land rights applications.

4. Receipts and financing

4.1 Summary of receipts

Table 11.1 below indicates the sources of funding for Vote 11 for the period 2011/12 to 2017/18.

The table also compares actual and budgeted receipts against actual and budgeted payments.

The department receives a provincial allocation in the form of an equitable share, and a national conditional grant allocation in respect of the EPWP Integrated Grant for Provinces for the first time in 2014/15, continuing in 2015/16, which the department uses for its Food for Waste programme in communities, where the most needy community members collect domestic waste from households and in public places.

Table 11.1 shows generally steady growth of the department's budget over the period under review.

Table 11.1 : Summary of receipts and financing

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Equitable share | 1 140 995 | 1 208 003 | 1 228 982 | 1 303 955 | 1 439 101 | 1 439 101 | 1 361 524 | 1 436 920 | 1 508 766 |
| Conditional grants | - | - | - | 3 471 | 3 471 | 3 471 | 4 119 | - | - |
| EPWP Integrated Grant for Provinces | - | - | - | 3 471 | 3 471 | 3 471 | 4 119 | - | - |
| Total receipts | 1 140 995 | 1 208 003 | 1 228 982 | 1 307 426 | 1 442 572 | 1 442 572 | 1 365 643 | 1 436 920 | 1 508 766 |
| Total payments | 1 106 349 | 1 314 550 | 1 242 496 | 1 348 076 | 1 486 694 | 1 486 694 | 1 368 043 | 1 436 920 | 1 508 766 |
| Surplus/(Deficit) before financing | 34 646 | (106 547) | (13 514) | (40 650) | (44 122) | (44 122) | (2 400) | - | - |
| Financing | | | | | | | | | |
| of which | | | | | | | | | |
| Provincial roll-overs | 2 000 | 29 024 | - | - | 3 472 | 3 472 | - | - | - |
| Provincial cash resources | 13 000 | 79 100 | 17 360 | 40 650 | 40 650 | 40 650 | 2 400 | - | - |
| Surplus/(Deficit) after financing | 49 646 | 1 577 | 3 846 | - | - | - | - | - | - |

In 2011/12, the department received a roll-over of R2 million from 2010/11 for its co-ordination function to ensure that the 2010/11 disaster management funds were correctly utilised by implementing departments. In addition, provincial cash resources of R10 million were allocated in respect of the TC elections, and R3 million to put water, sanitation and electricity infrastructure installation voting stations.

The department under-spent in 2011/12 by R49.646 million, of which R29.024 million was rolled over to 2012/13 relating to the construction of TACs and *Imizi Yesizwe*, the installation of water purification plants, the payment of computer servers, re-holding of TC elections where necessary, as there were disputes (technical problems such as mis-spelled names on ballot papers) that occurred in the first TC elections, etc. The balance of R20.622 million relates to cost-cutting, as well as an internal moratorium on the filling of vacant posts due to the department's continual restructuring.

In 2012/13, the department received a roll-over of R29.024 million from 2011/12 for various departmental projects, as explained above. In addition, provincial cash resources of R79.100 million were allocated in respect of various projects such as councillor training on municipal structures and management throughout the province, the formalisation of 13 towns to uplift the towns for improved service delivery, among others.

The department under-spent in 2012/13 by R1.577 million largely due to office furniture and equipment not purchased as a result of non-filling of vacant posts and unprocessed leave gratuities. In addition, funds were earmarked to be transferred to the Imbabazane Municipality relating to the operational support for

Thusong Service Centres (TSCs) but this was put on hold due to the appointment of an acting municipal manager not being finalised, as the municipality was placed under administration in 2012/13.

In 2013/14, the department was allocated provincial cash resources of R17.360 million in respect of various projects including the Nelson Mandela Marathon event, the second BRICS Urbanisation Forum and the third Friendship Cities and Local Government Co-operation Forum, among others.

The additional funding was offset by the suspension of funds in 2013/14 and allocated back to the department in 2014/15, for transfer to the public entity Agri-business Development Agency (ADA) to implement the Uthukela *Amakhosi* programme and the Msinga Asisukume Co-operative due to capacity constraints in municipalities. In 2013/14, the department appointed ADA to implement these projects. However, ADA indicated that negotiations were not finalised, and therefore the projects only commenced in 2014/15. As a result, the department and ADA agreed to suspend the proposed transfer of funds to 2014/15. In addition, funds were suspended in respect of the centralisation of parts of the communications budget under the Office of the Premier (OTP), and carried through over the MTEF.

The department ended 2013/14 with an under-expenditure of R3.846 million relating to non-completion of the PDMC at Mkondeni because the structural integrity of the existing structure was not in accordance with the drawings that were provided by the department. The department requested a roll-over of R3.472 million in this regard to 2014/15 for the completion of the centre, which was granted. The balance of R374 000 was surrendered to the Provincial Revenue Fund, because the full under-expenditure was not requested as a roll-over, due to the full amount not being committed.

In 2014/15, the department was allocated funds relating to the EPWP Integrated Grant for Provinces for the first time, as previously explained. The amount in 2014/15 against provincial cash resources includes additional funds for the construction and rehabilitation of various CSCs, and the reallocation of funds relating to the transfer to ADA for the implementation of the Uthukela *Amakhosi* programme and the Msinga Asisukume Co-operative, as mentioned above.

In the 2014/15 Adjusted Appropriation, the department received a roll-over of R3.472 million from 2013/14 relating to the completion of the PDMC, as indicated above. In addition, the department was allocated additional funding of R135.146 million in respect of the following:

- R12 million was allocated for organising the 2014 Nelson Mandela Marathon event.
- R1 million was allocated back to the department relating to funds returned to the department by the Umdoni Municipality in 2013/14, which was used for an animal pound in the Ingwe Municipality.
- Additional funding of R40 million was allocated for the electrification projects in Ofafa, Emahehle, Mhunya, Nquthu, Umvoti, eDumbe, Maphumulo, Dannhauser, Ndwedwe and Ubuhlebezwe. This was part of the Premier's 100-day commitments.
- R85 million was allocated for various projects relating to the Small Town Rehabilitation programme in respect of the development of rural areas.
- The additional funding was offset by R2.854 million deducted from the department's budget relating to previous years' irregular expenditure. Cabinet approved that where departments were unable to provide sufficient justification for the irregular expenditure, it becomes a first charge against the vote.

Over the 2015/16 MTEF, the department has been reallocated funds relating to the external bursaries budget that were centralised in the 2014/15 MTEF under OTP. This has been decentralised back to all departments from which the budget was previously moved. The carry-through (R2.400 million) of the uMsekeli Municipal Support Services pensioners' medical aid obligation continued in the 2015/16 MTEF. However, the funding is added to the equitable share allocation in 2016/17 and, hence, it does not appear against provincial cash resources from 2016/17 onward.

The department's budget shows an increasing trend over the 2015/16 MTEF mainly due to inflationary increments.

4.2 Departmental receipts collection

Table 11.2 below reflects departmental receipts for the period 2011/12 to 2017/18. Details of these receipts are presented in *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

Table 11.2 : Summary of departmental receipts collection

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 1 263 | 1 293 | 1 338 | 1 416 | 1 416 | 1 744 | 1 509 | 1 607 | 1 703 |
| Transfers received | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | 2 141 | 1 549 | 27 | 40 | 40 | 40 | 42 | 44 | 46 |
| Sale of capital assets | - | - | 2 863 | 900 | 900 | 2 643 | 1 200 | 880 | 1 100 |
| Transactions in financial assets and liabilities | 555 | 4 736 | 3 242 | 847 | 847 | 847 | 902 | 960 | 1 017 |
| Total | 3 959 | 7 578 | 7 470 | 3 203 | 3 203 | 5 274 | 3 653 | 3 491 | 3 866 |

Sale of goods and services other than capital assets is the major source of revenue for the department which comprises of commission received from monthly PERSAL deductions, such as insurance and garnishees, the sale of maps and publications, parking fees and rental for officials occupying state houses. An increasing trend is reflected over the seven-year period. The department is anticipating to over-collect its budget as shown in the 2014/15 Revised Estimate due to higher than anticipated sale of tender documents. Growth over the 2015/16 MTEF is based on inflationary increments.

Revenue collection against *Interest, dividends and rent on land* relates to interest received on staff debts. The substantial revenue collected in 2011/12 and 2012/13 was due to interest received on prepayments made to IDT for the construction of *Imizi Yesizwe*, as well as the construction of TACs in rural areas. The department anticipates to fully collect its budget in the 2014/15 Revised Estimate. Growth over the 2015/16 MTEF, to a large extent, is based on historical performance and inflationary increments.

The collection against *Sale of capital assets* relates to the sale of redundant assets such as motor vehicles and old furniture. No auctions took place in 2011/12 and 2012/13. Over the seven-year period, the highest collection was realised in 2013/14, in respect of the sale of redundant motor vehicles. The department is projecting to over-collect its 2014/15 budget, due to the expected auctioning of a number of redundant motor vehicles and office equipment. It is difficult to budget for revenue from this source, as it relies on, among other factors, the price attained at the auction, hence the inconsistent projections over the MTEF.

Transactions in financial assets and liabilities include revenue collected in relation to monies recovered from staff debts and refunds relating to previous years' expenditure. The fluctuating trend over the period under review is due to the uncertain nature of this category. In 2012/13, the significant revenue collection related to funds returned to the department by the Ezingolweni and Umzumbe Municipalities, in respect of failed projects in 2010/11. In 2013/14, a significant amount of revenue collected was due to refunds from the Umdoni Municipality, which amounted to R1.111 million, as a result of breached provisions of MOA and the business plan which it had entered into with the department. The municipality did not commence the project (establishment of animal pound in the district) within the specified time frame. Adding to this collection was an unbudgeted refund from the IEC of an unused balance of R960 000 in respect of TC elections and a refund of R800 000 from the Umkhanyakude Municipality as they failed to adhere to the terms of the Municipal Governance and Admin Experts: Shared Deployment grant. The remainder of this amount relates to the collection of staff debts. A steady increase in revenue collection is expected over the MTEF.

4.3 Donor funding

Table 11.3 reflects donor funding payments by the department for the period 2011/12 to 2017/18.

Table 11.3 : Details of payments and estimates of donor funding

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|----------|------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Donor funding | 118 | - | 827 | 2 116 | 800 | 800 | 1 316 | - | - |
| Development Bank of SA | 118 | - | 452 | - | - | - | - | - | - |
| Dept. of Prov. and Local Govt (DPLG) | - | - | 375 | 2 116 | 800 | 800 | 1 316 | - | - |
| Total | 118 | - | 827 | 2 116 | 800 | 800 | 1 316 | - | - |

The department received funding from the Development Bank of South Africa (DBSA) from 2008/09 to 2010/11, aimed at building municipal capacity. The funding relates to financial assistance for the implementation of MPRA, public participation of ward committees, and for a contractor to manage the DBSA projects for the department, after which the department budgeted for departmental officials to continue with these duties.

The donor funding received by the department prior to 2011/12 (not seen in the table), was spent over the years, with the final expenditure in 2013/14. This was used for capacity building initiatives for ward committee's training in community development, management, project management and other appropriate disciplines in respect of the Community Development Workers (CDWs).

The amount against the Department of Provincial and Local Government was originally received in 2004 for various projects (such as audits, municipal infrastructure, etc.) within municipalities. As the projects were completed, the balance of R2.491 million remained, and a decision was taken at the end of 2012/13 to consolidate all the balances into one account and to use the funding for councillors' training in municipalities. In 2013/14, the department spent R375 000 on training and the balance of R2.116 million was to be spent in 2014/15. However, this was revised downward to R800 000 in the 2014/15 Adjusted Appropriation due to challenges with co-ordinating all councillors for the various training. The balance of R1.316 million will be spent in 2015/16.

5. Payment summary

Section 5 reflects payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6, as well as in *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

5.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- National Treasury imposed fiscal consolidation cuts on the equitable share and conditional grant allocations of provinces for 2015/16 and 2016/17. In KZN, the bulk of the equitable share cut is absorbed by reducing the Contingency Reserve, stopping of the Strategic Cabinet Initiatives Fund, etc. As part of the fiscal consolidation, National Treasury has not provided any funding for the carry-through costs of the 2014 wage agreement, and the department therefore had to fund these by internal reprioritisation and lowering growth of non-essential item budgets.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2014/15, will continue to be adhered to over the 2015/16 MTEF, in conjunction with National Treasury Instruction 01 of 2013/14: Cost-containment measures. The provincial cost-cutting measures have been updated to include those that were adopted by the Committee of HODs (COHODs) in December 2014, and an updated circular has been reissued to departments and public entities.
- Provision was made for an inflationary wage adjustment of 5.6, 5.5 and 5 per cent for each of the three years of the 2015/16 MTEF, respectively. The department also provided for the 1.5 per cent pay progression.
- Additional funding was allocated over the 2014/15 MTEF for the carry-through costs of previous wage agreements, and provision has been made for the filling of vacant posts, while taking into account the moratorium on the filling of non-critical vacant posts. All inflation related increases are based on CPI projections.

5.2 Additional allocations for the 2013/14 to 2015/16 MTEF

Table 11.4 below shows additional funding received by the department over the three MTEF periods: 2013/14, 2014/15 and 2015/16.

The purpose of such a table is two-fold. Firstly, it shows the quantum of additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated. The carry-through allocations for the 2013/14 and 2014/15 MTEF periods (i.e. for the financial year 2017/18) are based on the incremental percentage used in the 2015/16 MTEF.

Table 11.4 : Summary of additional provincial allocations for the 2013/14 to 2015/16 MTEF

| R thousand | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2013/14 MTEF period | (14 771) | (33 000) | (41 513) | (43 533) | (45 830) |
| Census data update and 1%, 2% and 3% baseline cuts | (17 171) | (35 400) | (43 913) | (45 933) | (48 230) |
| Carry-through uMsekeli Municipal Support Services pensioners' medical aid obligation | 2 400 | 2 400 | 2 400 | 2 400 | 2 400 |
| 2014/15 MTEF period | | 39 632 | 4 662 | 5 626 | 5 907 |
| Suspension of trf to ADA for Uthukela Amakhosi prog & Msinga Co-op | | 18 850 | - | - | - |
| Community Service Centres - Bulwer and rehab. of 3 others | | 19 400 | - | - | - |
| Carry-through of previous wage agreements | | 3 582 | 6 917 | 7 992 | 8 392 |
| Centralisation of communications budget under OTP | | (1 000) | (1 000) | (1 053) | (1 106) |
| Centralisation of external bursaries budget under OTP | | (1 200) | (1 255) | (1 313) | (1 379) |
| 2015/16 MTEF period | | | 1 255 | 1 313 | 1 379 |
| Decentralisation of bursaries budget | | | 1 255 | 1 313 | 1 379 |
| Total | (14 771) | 6 632 | (35 596) | (36 594) | (38 544) |

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

In the 2014/15 MTEF, the department received R18.850 million, being funds suspended in 2013/14 and allocated back in 2014/15, for transfer to ADA, as previously explained. Also, in the 2014/15 MTEF, additional funding was allocated for the construction and rehabilitation of CSCs, as well as for the carry-through costs of previous wage agreements, which increased significantly from 2015/16 onward. Also in the 2014/15 MTEF, funds were suspended from the department in respect of the centralisation of parts of the communications budget and external bursaries budget under OTP.

With regard to the 2015/16 MTEF, the department receives additional funding relating to the decentralisation of the bursaries budget from OTP, as explained previously.

5.3 Summary by programme and economic classification

The services rendered by the department are categorised under four programmes, which are aligned to the uniform budget and programme structure of the Co-operative Governance and Traditional Affairs sector, as illustrated in Table 11.5 below.

Tables 11.5 and 11.6 provide a summary of the vote's payments and budgeted estimates over the seven-year period, by programme and economic classification, respectively.

Table 11.5 : Summary of payments and estimates by programme: Co-operative Governance and Traditional Affairs

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 255 491 | 311 497 | 318 880 | 318 005 | 353 468 | 353 468 | 352 394 | 370 925 | 377 526 |
| 2. Local Governance | 166 716 | 182 089 | 222 739 | 208 791 | 220 040 | 220 040 | 225 160 | 239 608 | 251 947 |
| 3. Development and Planning | 451 194 | 614 226 | 430 891 | 525 621 | 656 437 | 656 437 | 534 598 | 557 223 | 594 584 |
| 4. Traditional Institutional Management | 232 948 | 206 738 | 269 986 | 295 659 | 256 749 | 256 749 | 255 891 | 269 164 | 284 709 |
| Total | 1 106 349 | 1 314 550 | 1 242 496 | 1 348 076 | 1 486 694 | 1 486 694 | 1 368 043 | 1 436 920 | 1 508 766 |

Table 11.6 : Summary of payments and estimates by programme: Co-operative Governance and Traditional Affairs

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 712 234 | 799 663 | 931 321 | 1 087 152 | 1 054 772 | 1 052 371 | 1 182 013 | 1 344 334 | 1 420 292 |
| Compensation of employees | 343 521 | 411 741 | 523 274 | 600 466 | 572 769 | 572 226 | 637 229 | 692 651 | 742 862 |
| Goods and services | 368 713 | 387 922 | 408 047 | 486 686 | 482 003 | 480 145 | 544 784 | 651 683 | 677 430 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 357 371 | 456 986 | 246 873 | 180 112 | 317 966 | 325 078 | 87 969 | 12 547 | 5 277 |
| Provinces and municipalities | 348 281 | 444 587 | 232 228 | 156 057 | 249 312 | 256 312 | 61 856 | 5 001 | 202 |
| Departmental agencies and accounts | 1 700 | 1 000 | 1 278 | 20 651 | 20 651 | 20 651 | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | 558 | - | - | 33 254 | 33 254 | 12 100 | - | - |
| Non-profit institutions | - | 100 | - | - | - | - | - | - | - |
| Households | 7 390 | 10 741 | 13 367 | 3 404 | 14 749 | 14 861 | 14 013 | 7 546 | 5 075 |
| Payments for capital assets | 36 569 | 57 757 | 64 276 | 80 812 | 113 956 | 109 201 | 98 061 | 80 039 | 83 197 |
| Buildings and other fixed structures | 22 625 | 24 225 | 39 069 | 59 903 | 85 152 | 80 152 | 78 231 | 63 596 | 68 374 |
| Machinery and equipment | 13 914 | 29 188 | 21 104 | 18 209 | 26 008 | 26 253 | 17 130 | 13 743 | 14 623 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 30 | 4 344 | 4 103 | 2 700 | 2 796 | 2 796 | 2 700 | 2 700 | 200 |
| Payments for financial assets | 175 | 144 | 26 | - | - | 44 | - | - | - |
| Total | 1 106 349 | 1 314 550 | 1 242 496 | 1 348 076 | 1 486 694 | 1 486 694 | 1 368 043 | 1 436 920 | 1 508 766 |

The expenditure and budget trends reflect steady growth over the period, with a slight reduction in 2013/14, which can be attributed to various once-off allocations in 2012/13, as explained below.

Programme 1: Administration reflects a substantial increase in 2012/13 due to additional liability claims by the Government Employees Pension Fund (GEPF) for officials retiring prior to the pensionable age (both early retirement and voluntary severance packages), as well as the communication and consultation cost relating to various departmental projects (such as the installation of *Amakhosi*, the LED summit, etc.). In addition, the department undertook virements from other programmes to this programme in 2012/13 to cater for various once-off costs such as vehicle maintenance, computer services and training costs that were under-budgeted for. The increase in 2013/14 relates to the improvement of the ICT system in the department as per the recommendations of the A-G, and the maintenance and upgrading of various departmental buildings as recommended by the Department of Public Works (DOPW), among others. Also, additional once-off funding was allocated for the Nelson Mandela Marathon event, and hence the slight drop in the 2014/15 Main Appropriation. The growth in the 2014/15 Adjusted Appropriation was in respect of various once-off funding relating to the improvement in the department's ICT system, advertising costs, recruitment processes, audit fees, among others, and hence the decrease in 2015/16. The increase over the MTEF is mainly for the filling of vacant posts, while taking into account the moratorium on the filling of non-critical posts, property payments, vehicle maintenance, among others. In addition, funds were reprioritised from Programme 4 to align the financial functions within the department. The Traditional Financial Management unit was moved from Programme 4 to Programme 1, and the trend was adjusted accordingly for comparative purposes. The shift was to allow the department to ensure proper management of financial matters pertaining to traditional institutions.

Programme 2: Local Governance shows an increase in 2012/13 relating to the establishment of an animal pound in the Nongoma Municipality, and councillor training on municipal structures and management. The increase in 2013/14 relates to the reprioritisation from Programme 3 to cater for the shortfall in the appointment of an additional 127 CDWs to ensure functionality in wards in respect of Operation *Sukuma Sakhe* (OSS), as well as the deployment of additional skilled professionals and administrators in municipalities who provided municipal governance and administration hands-on support, and assisted municipalities in determining, reviewing and implementing appropriate municipal governance and administration processes, systems, plans, frameworks and procedures. Some of these projects were once-off, hence the decrease in the 2014/15 Main Appropriation. The increase in the 2014/15 Adjusted Appropriation was to cater for the filling of critical vacant posts, as well as officials who were upgraded from levels 9 to 10 and 11 to 12 in line with DPSA requirements, and were back paid to 2012/13. The

growth over the MTEF mainly provides for inflationary increments. Also, funds were reprioritised from Programme 4 for the implementation of the PSCBC resolution 3 of 2009 pertaining to salary level upgrades, the skills audit programme, implementation of the monitoring and evaluation database system at various municipalities, as well as preparations toward the 2016 local government elections in 2016/17. In this regard, the department needs to provide relevant legislation and policies for all newly elected councillors, as well as implement a comprehensive orientation training programme for all councillors following the 2016 elections, among others.

The low 2011/12 amount against Programme 3: Development and Planning was as a result of the reprioritisation of funding from the Corridor Development and the Small Town Rehabilitation programmes, due to slow spending by the municipalities, to Programme 4 for the installation of TCs and the induction of new TC and Local House members, among others. The substantial increase in 2012/13 relates to the roll-over for the construction of three TACs by IDT, and the installation of water purification plants. In addition, the department undertook the improvement of disaster management centres' capabilities, the formalisation of 13 towns and some Massification projects. These were once-off, hence the reduction in 2013/14. Also, the decrease in 2013/14 was ascribed to funds reprioritised to Programmes 1, 2 and 4 for various projects, as indicated in each programme. The department, prior to 2014/15, budgeted for projects such as Corridor Development, Massification, Small Town Rehabilitation and LED programmes under *Goods and services* during the budget process, but shifted funds to *Transfers and subsidies to: Provinces and municipalities* in-year, after an annual departmental exercise indicated that the municipalities had the necessary capacity to deliver on the particular projects themselves. However, as a result of slow spending by these municipalities in 2012/13 and 2013/14, the department did not transfer the funds as anticipated. As such, the funds were moved to other programmes to offset spending pressures in 2013/14. The increase in the 2014/15 Adjusted Appropriation was ascribed to additional funding for electrification projects and for projects relating to the Small Town Rehabilitation programme in respect of the development of rural areas. These were once-off projects, accounting for the decrease in 2015/16. The 2015/16 budget includes funding in respect of the EPWP Integrated Grant for Provinces, which is used for the Food for Waste programme, as previously explained. This grant is allocated annually and is based on previous year's performance, and there is no allocation in the two outer years of the MTEF, at this stage. The growth in Programme 3 over the MTEF relates to inflationary increments, as well as funds reprioritised from Programme 4 for the expansion and repackaging of the Food for Waste programme, the increase in emergency relief measures and the increase in support to district DMCs, among others.

With regard to Programme 4: Traditional Institutional Management, the high 2011/12 amount relates to the once-off back-dated salary adjustments of *Amakhosi*, the induction of new TC and Local House members, etc. The decrease in 2012/13 mainly relates to funds reprioritised from this programme due to the slow start in the construction of *Imizi Yesizwe* as a result of the longer than anticipated consultations with the *Amakhosi* with regard to the approval of plans and designs, such as changing tiled roofing to thatch and installing solar power as there is no Eskom supply of electricity in some areas. Also contributing to the decrease, was the cancellation of the *Ondlunkulu* project, which is a structured co-operative programme for the wives of *Amakhosi*, due to other departments being involved with a similar project, as well as the cancellation of the Community Development Project which did not adequately address job creation, poverty reduction and enhancement of community livelihood. The increase in 2013/14 can be attributed to funds reprioritised from Programme 3 to cater for the increase in the salaries of *Amakhosi*, as per the President's proclamation, the increase in stipends paid to *Izinduna* and the TC secretaries, as well as the sitting allowance for the TC members. In addition, the funding catered for the purchase of the Pastel Evolution software for the traditional levies and trust accounts in TCs, and the establishment of a Commission on Disputes to resolve disputes among *Amakhosi*. The increase in the 2014/15 Main Appropriation was to cater for the filling of vacant posts (taking into account the moratorium on the filling of non-critical vacant posts), and the increase in infrastructure support (including the construction of *Imizi Yesizwe*), office equipment/furniture for TACs and renovations and maintenance of existing infrastructure. The decrease in the 2014/15 Adjusted Appropriation was due to reprioritisation due to slower than anticipated filling of critical vacant posts as a result of lengthy recruitment processes and the difficulty in finding suitable candidates, as well as the internal moratorium on filling of non-critical vacant posts. The funds were moved to Programmes 1, 2 and 3 to cater for

various spending pressures, as indicated earlier. The decrease over the 2015/16 MTEF in comparison to the 2014/15 Main Appropriation relates to reprioritisation undertaken to cater for various programmes in Programmes 1, 2 and 3, as mentioned above. The reprioritisation resulted from the function shift from Programme 4 to Programme 1, as well as an internal moratorium placed on the filling of vacant posts, and the implementation of financial controls on travel and subsistence.

Compensation of employees reflects a substantial increase from 2012/13 onward, due to the above-budget wage agreements, the filling of vacant posts, as well as the appointment of CDWs. The decrease in the 2014/15 Adjusted Appropriation was due to slower than anticipated filling of vacant posts, and these funds were moved to other categories to cater for spending pressures, which is explained in each category below. The slight decrease in the 2014/15 Revised Estimate is attributed to savings from posts that are not filled, and will be used to cater for higher than anticipated costs in respect of leave gratuities. The growth over the MTEF is mainly in respect of filling of critical vacant posts, as well as inflationary increases.

Goods and services reflects an increasing trend over the period. The growth in 2012/13 and 2013/14 was due to the implementation of projects such as audit and financial support to municipalities, councillor training on municipal structures and management, among others. The decrease in the 2014/15 Adjusted Appropriation was due to reprioritisation to other categories (*Transfers and subsidies to: Households and Machinery and equipment*). This resulted from the decrease (stringent controls on kilometres travelled) in travel and subsistence claims, savings associated with non-filling of non-critical vacant posts, as well as the implementation of financial controls. The slight decrease in the 2014/15 Revised Estimate was due to the post Adjustments Estimate shift undertaken to the Umkhanyakude District Municipality and the Ulundi Local Municipality in respect of disaster management. Prior to 2014/15, the department budgeted for various programmes during the budget process and then shifted the funds to *Transfers and subsidies to: Provinces and municipalities* during the Adjustments Estimate, as discussed. But during the 2014/15 budget process, the department was requested by Provincial Treasury to identify the beneficiary municipalities and budget for them accordingly, rather than budgeting for these projects under *Goods and services* and then shifting the funds in the Adjustments Estimate. This was done in order to gazette the transfers so that the municipalities can plan and budget for the various projects. However, for the 2015/16 MTEF, the department has reverted back to the previous way of budgeting for these projects in *Goods and services* due to slow spending in municipalities and the difficulty in identifying the recipient municipalities in time for the budget process. This has resulted in the high amounts against this category and the low amounts against *Transfers and subsidies to: Provinces and municipalities* over the MTEF.

Transfers and subsidies to: Provinces and municipalities fluctuates over the period under review, which is mainly attributed to the spending patterns by municipalities. The low amount in 2013/14 relates to funds reprioritised due to slow spending by municipalities to offset spending pressures in other categories, as previously explained. This explains the further decrease in the 2014/15 Main Appropriation, as portion of the funding was allocated to *Goods and services* for projects that the department was going to undertake on behalf of the municipalities. The increase in the 2014/15 Adjusted Appropriation relates to once-off additional funding for the electrification projects and projects relating to the Small Town Rehabilitation programme, as explained earlier. The further increase in the 2014/15 Revised Estimate relates to the post Adjustments Estimate shift in respect of disaster management, as indicated above. Also, the increase resulted from funds shifted from *Buildings and other fixed structures* in respect of the construction of the Bulwer CSC at the Ingwe Municipality. The department was going to undertake the project, but the municipality indicated that it has the capacity and, thus, the shift undertaken. The amount in 2015/16 is in respect of the Massification programme, construction of TSCs and the Development Planning and Shared Services. As previously explained, the budget for the various projects has been budgeted for under *Goods and services* over the MTEF.

The amounts reflected against *Transfers and subsidies to: Departmental agencies and accounts* in 2011/12 and 2012/13 relate to transfers to ADA for various LED projects (such as KwaSani communal vegetable farming and for an agri-processing facility at Middlerus in Mpofana) and the KZN Tourism Authority (TKZN) for the erection of tourism signage. The amounts in 2013/14 and 2014/15 relate to the Public Service Sector Education and Training Authority (PSETA) levies. The department was required to set aside 30 per cent of 1 per cent of the *Compensation of employees* budget for training, and pay over to

the PSETA in terms of the Skills Development Act. However, in line with National Treasury Circular of 10 July 2014, national departments applied for the creation of a single transfer to PSETA through the DPSA. The result of this is that departments do not have to transfer funds to PSETA from 2015/16 onward, unless such transfers are meant for a different purpose, hence there is no budget in this regard over the MTEF. The high amount in 2014/15 was mainly in respect of funds transferred to ADA for the implementation of the Uthukela *Amakhosi* programme and the Msinga Asisukume Co-operative, as explained.

With regard to *Transfers and subsidies to: Public corporations and private enterprises*, the once-off amount in 2012/13 relates to donations to the South African Planning Institute (SAPI) in respect of the Planning Africa Conference (PAC) which promotes information sharing and/or continuous professional development in the planning arena. Also in 2012/13, the KZN Top Business Portfolio received a once-off amount for the update of promotional DVDs to showcase successful growth in the province. The once-off amounts in the 2014/15 Adjusted Appropriation and in 2015/16 relate to the transfer to the uMhlathuze Water Board in respect of the expenditure relating to the 2014 general elections, where the Board was tasked to assist the department with providing voting stations with infrastructure such as sanitation and water, as well as to provide portable water delivery services to district municipalities.

The once-off amount against *Transfers and subsidies to: Non-profit institutions* in 2012/13 was in respect of a donation to Sakhisizwe Management Agency (who undertakes the co-ordination, managing and organising of various traditional music in various forms and crafts) for the heritage month celebration.

Transfers and subsidies to: Households fluctuates over the period due to the payment of voluntary severance packages, staff exit costs, which are not predictable, as well as bursaries to students. The substantial increase in 2012/13 was to cater for leave gratuities, early retirement and voluntary severance packages to supernumerary staff, as well as the payment of the uMsekeli Municipal Support Services pensioners' medical aid obligation. The high 2013/14 amount was in respect of the expansion of the external bursary programme offered by the department in areas such as civil and electrical engineering, town planning, municipal finance, general accounting, etc., as well as higher than anticipated staff exit costs, hence the decrease in the 2014/15 Main Appropriation. The high 2014/15 Adjusted Appropriation was in respect of higher than anticipated costs relating to the external bursaries, which were not adequately catered for. This continues in 2015/16, and it is anticipated that most of the students will be graduating in 2015/16, hence the substantial reduction in 2016/17 and 2017/18. Also, the reduction is attributed to the unpredictable nature of the items and, thus will be reviewed in future MTEFs.

The expenditure against *Buildings and other fixed structures* relates to the construction and rehabilitation of TSCs, TACs and *Imizi Yesizwe*. The substantial increase in 2013/14 was mainly for the completion of the Mkondeni PDMC and the construction of CSCs in Jozini (Ingwenya CSC), uMlalazi (Biyela CSC) and Abaqulusi (Xulu CSC) to incorporate a wide spectrum of government, commercial, local economic development, educational and private sector services and ensure localised integrated service delivery for communities. The substantial increase in the 2014/15 Adjusted Appropriation was ascribed to the additional funding for projects relating to the Small Town Rehabilitation programme in respect of the development of rural areas, which will be undertaken by the department on behalf of municipalities. These are once-off and, thus, the decrease in 2015/16. The decrease in the 2014/15 Revised Estimate resulted from funds shifted to *Transfers and subsidies to: Provinces and municipalities* for the construction of the Bulwer CSC at the Ingwe Municipality, as explained previously. The declining growth over the MTEF is in line with project plans as projects are being completed and will be reviewed in future MTEFs.

Machinery and equipment fluctuates due to the filling of vacant posts and the related costs of the purchase and replacement of office furniture, computer equipment and vehicles. The substantial increase in 2012/13 relates to the purchase of tools of trade for CDWs, roll-over of funds for the payment of computer servers ordered but not delivered before year-end, as well as the purchase of computer equipment. Some of these purchases were once-off and, hence, the decrease in 2013/14. There were various once-off purchases of office furniture, computer equipment and vehicles in 2013/14 and, thus, the dip in the 2014/15 Main Appropriation. The increase in the 2014/15 Adjusted Appropriation relates to funds reprioritised for the once-off purchase of furniture and computer equipment for new appointees and TSCs, as well as the

replacement of computer equipment in terms of the department's IT policy, accounting for the decrease in 2015/16. The decrease over the MTEF, especially in 2016/17 and 2017/18 can be ascribed to no major purchases, such as vehicles and computer servers being anticipated, at this stage. This will be reviewed in future MTEFs.

Spending in 2011/12 against *Software and other intangible assets* was in respect of the once-off purchase of computer software packages (system hosting servers, Blackberry Enterprise Services software, etc.). The amounts from 2012/13 onward are in respect of the purchase of the Pastel Evolution software for the traditional levies and trust account in TCs. This project is anticipated to be completed in 2016/17, hence there is no allocation in 2017/18.

The amounts against *Payments for financial assets* relate to the write-off of irrecoverable staff debts.

5.4 Summary of conditional grant payments and estimates

Table 11.7 provides a summary of the conditional grant payments and budgeted estimates over the seven-year period, by grant name. Detailed information on the conditional grant is given in the *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

Table 11.7 : Summary of conditional grants payments and estimates by name

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------------|-----------------|----------|----------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| EPWP Integrated Grant for Provinces | - | - | - | 3 471 | 3 471 | 3 471 | 4 119 | - | - |
| Total | - | - | - | 3 471 | 3 471 | 3 471 | 4 119 | - | - |

The department received the EPWP Integrated Grant for Provinces for the first time in 2014/15 as reflected in Table 11.7, continuing in 2015/16. This grant is allocated annually and is based on the previous year's performance, hence no funds are allocated in the two outer years of the 2015/16 MTEF, at this stage. The funds are allocated against *Goods and services* and are utilised for the creation of EPWP job opportunities through the Food for Waste programme, which involves the most needy community members, who collect domestic waste from households and in public areas. According to the department, the initial concept for the Food for Waste programme entailed compensating households by using food parcels to the value of the work done. However, the State Law Advisor has challenged the national DOPW on this approach and has recommended that participants be compensated using money.

5.5 Summary of infrastructure payments and estimates

Table 11.8 below summarises the infrastructure expenditure and estimates relating to the department.

With regard to the infrastructure expenditure and budget, this category reflects healthy growth, although fluctuating, over the period under review, with substantial growth in the 2014/15 Adjusted Appropriation.

Table 11.8 : Summary of infrastructure payments and estimates by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Existing infrastructure assets | 12 843 | 5 955 | 13 560 | 12 173 | 8 490 | 8 490 | 11 431 | 21 596 | 22 674 |
| Maintenance and repair: Current | - | - | - | - | - | - | - | - | - |
| Upgrades and additions: Capital | - | - | - | - | - | - | - | - | - |
| Refurbishment and rehabilitation: Capital | 12 843 | 5 955 | 13 560 | 12 173 | 8 490 | 8 490 | 11 431 | 21 596 | 22 674 |
| New infrastructure assets: Capital | 3 782 | 18 270 | 25 509 | 47 730 | 76 662 | 71 662 | 66 800 | 42 000 | 45 700 |
| Infrastructure transfers | 6 000 | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Current | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Capital | 6 000 | - | - | - | - | - | - | - | - |
| Infrastructure: Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure: Leases | - | - | - | - | - | - | - | - | - |
| Total | 22 625 | 24 225 | 39 069 | 59 903 | 85 152 | 80 152 | 78 231 | 63 596 | 68 374 |
| Capital infrastructure | 22 625 | 24 225 | 39 069 | 59 903 | 85 152 | 80 152 | 78 231 | 63 596 | 68 374 |
| Current infrastructure | - | - | - | - | - | - | - | - | - |

Refurbishment and rehabilitation: Capital reflects the refurbishment and renovation of existing TACs, TSCs and MPCCs. The high expenditure in 2011/12 was due to more work undertaken by IDT in refurbishing the centres. The department reprioritised funds away from this category in 2012/13 due to slow progress in respect of the refurbishment of existing TACs and TSCs to offset spending pressures such as recruitment and selection, maintenance and repairs of various departmental buildings, etc., in other categories. The increase in 2013/14 was for the rehabilitation of TSCs, which were higher than anticipated, hence the slight decrease in the 2014/15 Main Appropriation. The reduction in the 2014/15 Adjusted Appropriation is due to slow progress with the renovations of CSCs. The substantial growth in 2016/17 and 2017/18 can be ascribed to the refurbishment of various TACs and TSCs.

New infrastructure assets: Capital reflects the provision for the construction of TACs and *Imizi Yesizwe*. The low 2011/12 amount was due to slow progress in the construction of the TACs and the houses for *Amakhosi* before year-end, which was attributed to the longer than anticipated local labour negotiations with *Amakhosi* and the council, as well as the longer than anticipated consultations with *Amakhosi* with regard to the approval of plans and designs, respectively. The increase in 2012/13 relates to funds rolled over in respect of the construction of these TACs and houses for *Amakhosi*. Also, the increase in 2013/14 was attributed to the construction of the PDMC at Mkondeni, as well as the construction of CSCs in various municipalities. The substantial growth in the 2014/15 Main Appropriation, in comparison to 2013/14 can be ascribed to funds allocated in respect of the construction of further CSCs and houses for *Amakhosi*. The increase in the 2014/15 Adjusted Appropriation relates to once-off funding in respect of projects relating to the Small Town Rehabilitation programme that the department will undertake on behalf of municipalities, as previously mentioned. The decrease in the 2014/15 Revised Estimate resulted from funds shifted to *Transfers and subsidies to: Provinces and municipalities* in respect of the construction of the Bulwer CSC at the Ingwe Municipality. As previously explained, the department was going to undertake the construction of the CSC, however, the municipality indicated that it has the capacity to undertake the project, and thus the shift undertaken. The declining allocations over the MTEF are in line with project plans for the construction of TACs and *Imizi Yesizwe*.

The amount against *Infrastructure transfers: Capital* in 2011/12 was in respect of transfer payments to municipalities for the construction of TSCs. The department moved funds away from this category from 2012/13 onward, as it began to undertake the construction of these centres itself.

Further details of the department's infrastructure payments and estimates are presented in *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

5.6 Summary of Public Private Partnerships – Nil

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

Table 11.9 below summarises the transfer payments to public entities that are listed in terms of Schedule 3 of the PFMA. It should be noted that these public entities do not fall under the auspices of the department. The department is only using them as implementing agents.

Table 11.9 : Summary of departmental transfers to public entities

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------------------|-----------------|--------------|----------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Agri-business Development Agency | 1 700 | - | - | 18 850 | 18 850 | 18 850 | - | - | - |
| KwaZulu-Natal Tourism Authority | - | 1 000 | - | - | - | - | - | - | - |
| Total | 1 700 | 1 000 | - | 18 850 | 18 850 | 18 850 | - | - | - |

The department made a once-off transfer in 2011/12 to ADA in respect of a communal vegetable farming project at KwaSani, and an agri-processing facility at Middlerus in Mpofana.

The amount in 2014/15 is for the implementation of the Uthukela *Amakhosi* Programme and the Msinga *Asisukume* Co-operative, as previously discussed. The department indicated that, due to capacity constraints in the municipalities, it appointed ADA to implement these projects.

The once-off amount reflected in 2012/13 relates to a transfer to TKZN for the erection of tourism signage in municipalities, as mentioned.

5.8 Transfers to other entities

Table 11.10 reflects a summary of transfers to other entities.

Table 11.10 : Summary of departmental transfers to other entities

| R thousand | Sub-programme | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|------------------|-------------------------------------|-----------------|------------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| KZN Top Business | 2.1: Municipal Administration | - | 158 | - | - | - | - | - | - | - |
| Sakhisizwe Org. | 3.1: Spatial Planning | - | 100 | - | - | - | - | - | - | - |
| SAPI | 4.1: Traditional Institutional Adm. | - | 400 | - | - | 254 | 254 | - | - | - |
| Total | | - | 658 | - | - | 254 | 254 | - | - | - |

The department made once-off donations in 2012/13 to the KZN Top Business Portfolio with regard to the update of promotional DVDs to showcase successful growth in the province, Sakhisizwe Management Agency for the heritage month celebration, as well as to SAPI in respect of the PAC, for which a further amount was allocated in the 2014/15 Adjusted Appropriation, as explained previously.

5.9 Transfers to local government

Table 11.11 details the transfers to local government, summarised according to categories A, B and C. Table 11.12 provides the departmental transfers to local government by grant name.

Detailed information on the departmental transfers to local government by transfer/grant type, category and municipality is given in *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

Transfers to local government include funds in respect of motor vehicle licences. These funds will not be transferred to any municipality and, hence, the amounts are not reflected in Tables 11.11 and 11.12.

Table 11.11 : Summary of departmental transfers to local government by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|--------------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Category A | 6 925 | - | 4 000 | 1 000 | 1 000 | 1 000 | - | - | - |
| Category B | 169 020 | 244 481 | 154 997 | 40 232 | 216 815 | 222 815 | 57 456 | - | - |
| Category C | 172 216 | 199 963 | 73 077 | 114 645 | 31 345 | 32 345 | 4 200 | 4 800 | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | 348 161 | 444 444 | 232 074 | 155 877 | 249 160 | 256 160 | 61 656 | 4 800 | - |

Table 11.12 : Summary of departmental transfers to local government by grant name

| R thousand | Sub-programme | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|--------------|---------|
| | | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Pounds Act | 2.1 Mun. Admin. | - | - | - | - | 1 000 | 1 000 | - | - | - |
| Public Part. Citizen Satisf. Survey | 2.3 Public Participation | - | 2 260 | 1 500 | - | - | - | - | - | - |
| Municipal Excellence awards | 2.5 Mun. Perf. Mon., Rep. & Eval. | - | 3 000 | 2 000 | - | 5 000 | 5 000 | - | - | - |
| Schemes Support programme | 3.1 Spatial Planning | - | - | - | 2 705 | 2 705 | 2 705 | - | - | - |
| Corridor Development | 3.3 LED | 96 447 | 111 300 | 82 843 | 58 500 | 60 000 | 60 000 | - | - | - |
| Small Town Rehabilitation programme | 3.3 LED | 74 220 | 125 545 | 77 654 | 26 300 | 85 000 | 85 000 | - | - | - |
| Construction of TSCs and CSCs | 3.3 LED | 6 000 | - | - | - | - | 5 000 | 7 500 | - | - |
| Operational Support for TSCs | 3.3 LED | 5 000 | 1 600 | 250 | 5 250 | 5 250 | 5 250 | - | - | - |
| Massification programme | 3.4 Mun. Infra. | 102 033 | 145 800 | 54 827 | 31 372 | 79 455 | 79 455 | 49 956 | - | - |
| uMhlathuze Water | 3.4 Mun. Infra. | - | - | - | 21 000 | - | - | - | - | - |
| Disaster Management | 3.5 Disaster Mgt. | 3 000 | 17 740 | 8 000 | 5 000 | 5 000 | 7 000 | - | - | - |
| Community participation in IDPs | 3.6 IDP Co-ordination | - | 2 000 | 2 000 | - | - | - | - | - | - |
| Development Planning and Shared Services | 3.6 IDP Co-ordination | 5 461 | 2 000 | 2 000 | 4 750 | 4 750 | 4 750 | 4 200 | 4 800 | - |
| Sustainable Living Exhibition | 3.6 IDP Co-ordination | - | - | 1 000 | 1 000 | 1 000 | 1 000 | - | - | - |
| Various | | 56 000 | 33 199 | - | - | - | - | - | - | - |
| Total | | 348 161 | 444 444 | 232 074 | 155 877 | 249 160 | 256 160 | 61 656 | 4 800 | - |

The amounts against transfers to local government fluctuates over the period under review, and cater mainly for projects under the Corridor Development, Massification and the Small Town Rehabilitation programmes. The low 2013/14 amount was due to slow spending by the municipalities with regard to the various projects and, hence, the further reduction in the 2014/15 Main Appropriation. These funds were reprioritised to other areas experiencing spending pressures. The increase in the 2014/15 Adjusted Appropriation includes once-off funding for electrification projects and projects relating to the Small Town Rehabilitation programme, as previously explained. The increase in the 2014/15 Revised Estimate relates to the funds shifted from *Goods and services* for disaster management, as well as funds shifted from *Buildings and other fixed structures* for the rehabilitation of the Bulwer CSC. The reduction over the MTEF is due to the department budgeting for these projects against *Goods and services* as these will be undertaken on behalf of the municipalities. Also, the department has indicated that some of the projects will be undertaken by the municipalities, but the municipalities have not been identified, at this stage. The funds will be moved from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities* during the 2015/16 Adjustments Estimate, when the municipalities are identified, hence the low amounts over the MTEF.

5.10 Transfers and subsidies

Table 11.13 gives a summary of transfers and subsidies expenditure and estimates at an item level for each programme of the department. Details are provided in the paragraphs before and after the table below.

Transfers and subsidies fluctuates over the seven-year period due to various projects undertaken at different times.

The low expenditure in 2013/14 can be ascribed to funds reprioritised due to slow spending by municipalities to other areas of spending pressures.

The increase in the 2014/15 Adjusted Appropriation relates to once-off additional funding for electrification projects and projects relating to the Small Town Rehabilitation programme, as previously explained.

The reduction over the MTEF is due to the department budgeting for various projects under *Goods and services*, as previously indicated.

- The amounts against *Households* in all four programmes cater for the payment of leave gratuities, early retirement, as well as severance packages. Programme 1 also reflects the uMsekeli Municipal Support Services pensioners' medical aid obligation, as well as bursaries to students not employed by the department. This category is difficult to forecast, accounting for the fluctuations over the period under review.
- *Transfers and subsidies* under Programme 1 fluctuates over the seven years, largely due to the nature of the transfers.
 - *Provinces and municipalities* relates to the payment of motor vehicle licences.
 - *Departmental agencies and accounts* caters for the payment to PSETA. As previously explained, in line with National Treasury Circular of 10 July 2014, departments do not have to transfer funds to PSETA, unless such transfers are meant for a different purpose, hence there is no budget in this regard over the MTEF.
- *Transfers and subsidies* under Programme 2 fluctuates over the seven-year period due to the following:
 - *Provinces and municipalities* in respect of various municipal projects such as the support to Umzimkulu, implementation of the Pound Act, municipal governance, etc., which are once-off.
 - *Public corporations and private enterprises* in respect of a donation to the KZN Top Business Portfolio for the update of promotional DVDs to showcase successful growth in the province.

Table 11.13 : Summary of transfers and subsidies by programme and main category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|---------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 6 658 | 8 839 | 11 853 | 4 615 | 14 211 | 14 211 | 12 649 | 6 518 | 4 235 |
| Provinces and municipalities | 120 | 143 | 154 | 180 | 152 | 152 | 200 | 201 | 202 |
| Motor vehicle licences | 120 | 143 | 154 | 180 | 152 | 152 | 200 | 201 | 202 |
| Departmental agencies and accounts | - | - | 1 278 | 1 801 | 1 801 | 1 801 | - | - | - |
| PSETA | - | - | 1 278 | 1 801 | 1 801 | 1 801 | - | - | - |
| Households | 6 538 | 8 696 | 10 421 | 2 634 | 12 258 | 12 258 | 12 449 | 6 317 | 4 033 |
| Other (Bursaries & Claims against the state) | 2 389 | 3 948 | 7 209 | - | 7 307 | 7 307 | 9 565 | 3 733 | 1 499 |
| Social benefits - Post retirement benefits | 4 149 | 4 748 | 3 212 | 2 634 | 4 951 | 4 951 | 2 884 | 2 584 | 2 534 |
| 2. Local Governance | 31 348 | 15 401 | 4 307 | 450 | 6 707 | 6 707 | 464 | 479 | 492 |
| Provinces and municipalities | 30 920 | 14 160 | 3 500 | - | 6 000 | 6 000 | - | - | - |
| Umkhulu Support | 25 320 | - | - | - | - | - | - | - | - |
| Mun. Govt. & Fin. Experts | 5 600 | - | - | - | - | - | - | - | - |
| Pounds Act | - | 1 000 | - | - | 1 000 | 1 000 | - | - | - |
| Public Participation Citizen Satisfaction survey | - | 2 260 | 1 500 | - | - | - | - | - | - |
| Municipal Excellence awards | - | 3 000 | 2 000 | - | 5 000 | 5 000 | - | - | - |
| Accredited Councillor training | - | 2 000 | - | - | - | - | - | - | - |
| Municipal Data Cleansing | - | 4 300 | - | - | - | - | - | - | - |
| Deployment of skilled professionals | - | 1 600 | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | 158 | - | - | - | - | - | - | - |
| KZN Top Business Portfolio | - | 158 | - | - | - | - | - | - | - |
| Households | 428 | 1 083 | 807 | 450 | 707 | 707 | 464 | 479 | 492 |
| Other transfers to households | - | 11 | - | - | - | - | - | - | - |
| Social benefits - Post retirement benefits | 428 | 1 072 | 807 | 450 | 707 | 707 | 464 | 479 | 492 |
| 3. Development and Planning | 313 691 | 431 707 | 229 425 | 174 847 | 295 264 | 302 318 | 73 756 | 5 000 | - |
| Provinces and municipalities | 311 991 | 430 284 | 228 574 | 155 877 | 243 160 | 250 160 | 61 656 | 4 800 | - |
| Small Town Rehabilitation | 74 220 | 125 545 | 77 654 | 26 300 | 85 000 | 85 000 | - | - | - |
| Corridor Development | 96 447 | 111 300 | 82 843 | 58 500 | 60 000 | 60 000 | - | - | - |
| Massification programme | 102 033 | 145 800 | 54 827 | 31 372 | 79 455 | 79 455 | 49 956 | - | - |
| LED | 12 080 | 14 100 | - | - | - | - | - | - | - |
| Operational Support for TSCs | 5 000 | 1 600 | 250 | 5 250 | 5 250 | 5 250 | - | - | - |
| Provisional Security (MPCCs) | 4 500 | - | - | - | - | - | - | - | - |
| Construction of TSCs | 6 000 | - | - | - | - | 5 000 | 7 500 | - | - |
| Development Planning and Shared Services | 5 461 | 2 000 | 2 000 | 4 750 | 4 750 | 4 750 | 4 200 | 4 800 | - |
| Disaster Management | 3 000 | 17 740 | 8 000 | 5 000 | 5 000 | 7 000 | - | - | - |
| Town Settlement Formalisation Support | 1 000 | - | - | - | - | - | - | - | - |
| Community participation in IDPs | - | 2 000 | 2 000 | - | - | - | - | - | - |
| District Growth and Development Summit | - | 4 000 | - | - | - | - | - | - | - |
| Operations and maintenance | - | 4 925 | - | - | - | - | - | - | - |
| MIG and MIS Grant | - | 74 | - | - | - | - | - | - | - |
| Formalisation of Small Towns | - | 1 200 | - | - | - | - | - | - | - |
| Schemes Support programme | 2 250 | - | - | 2 705 | 2 705 | 2 705 | - | - | - |
| Sustainable Living Exhibition | - | - | 1 000 | 1 000 | 1 000 | 1 000 | - | - | - |
| uMhlathuze Water | - | - | - | 21 000 | - | - | - | - | - |
| Departmental agencies and accounts | 1 700 | 1 000 | - | 18 850 | 18 850 | 18 850 | - | - | - |
| ADA | 1 700 | - | - | 18 850 | 18 850 | 18 850 | - | - | - |
| TKZN | - | 1 000 | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | 400 | - | - | 33 254 | 33 254 | 12 100 | - | - |
| SAPI | - | 400 | - | - | 254 | 254 | - | - | - |
| uMhlathuze Water Board | - | - | - | - | 33 000 | 33 000 | 12 100 | - | - |
| Households | - | 23 | 851 | 120 | - | 54 | - | 200 | - |
| Social benefits - Post retirement benefits | - | 23 | 851 | 120 | - | 54 | - | 200 | - |
| 4. Traditional Institutional Management | 5 674 | 1 039 | 1 288 | 200 | 1 784 | 1 842 | 1 100 | 550 | 550 |
| Provinces and municipalities | 5 250 | - | - | - | - | - | - | - | - |
| Community Development Project | 5 250 | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | 100 | - | - | - | - | - | - | - |
| Sakhisizwe Organisation | - | 100 | - | - | - | - | - | - | - |
| Households | 424 | 939 | 1 288 | 200 | 1 784 | 1 842 | 1 100 | 550 | 550 |
| Social benefits - Post retirement benefits | 424 | 939 | 1 288 | 200 | 1 745 | 1 803 | 1 100 | 550 | 550 |
| Claims against the state | - | - | - | - | 39 | 39 | - | - | - |
| Total | 357 371 | 456 986 | 246 873 | 180 112 | 317 966 | 325 078 | 87 969 | 12 547 | 5 277 |

- *Transfers and subsidies* under Programme 3 shows significant fluctuations due to the following:
 - *Provinces and municipalities* represents municipal projects such as the Corridor Development, Massification and the Small Town Rehabilitation programmes, etc. The amount allocated in the 2014/15 Main Appropriation against uMhlathuze Water Board was for the bucket eradication programme, as well as provision of water tankers in the uMhlathuze area. This amount was moved in the 2014/15 Adjustments Estimate to *Public corporations and private enterprises* since the funds were transferred to the uMhlathuze Water Board and not the municipality. The increase in the

2014/15 Revised Estimate relates to the shift from *Goods and services* for disaster management, as well as *Buildings and other fixed structures* for the rehabilitation of the Bulwer CSC. The MTEF allocations decrease due to projects being budgeted for under *Goods and services*, as explained.

- o *Departmental agencies and accounts* relates to a transfer to ADA for the Middlerus agri-processing facility at Mpofana and a communal vegetable farming project at KwaSani in 2011/12, as well as a transfer to TKZN for the erection of tourism signage in 2012/13. The amount against ADA in 2014/15 relates to the implementation of the Uthukela *Amakhosi* programme and the Msinga Asisukume Co-operative.
- o *Public corporations and private enterprises* relates to a donation to SAPI in respect of the PAC in 2012/13 and in the 2014/15 Adjusted Appropriation. As explained, the funds against uMhlathuze were in respect of the bucket eradication programme, as well as the provision of water tankers in the uMhlathuze area.
- *Transfers and subsidies* under Programme 4 also fluctuates over the seven-year period due to:
 - o *Provinces and municipalities* represents the transfer of funds for rural community development projects, such as urban development frameworks, etc.
 - o *Non-profit institutions* relates to a donation to Sakhisizwe Management Agency for the heritage month celebration.

6. Programme description

The services rendered by the department are categorised under four programmes.

As mentioned earlier, the department's budget and programme structures for the 2015/16 MTEF comply with the uniform budget and programme structure for the sector.

The payments and estimates for each programme are summarised in terms of economic classification.

Details are given in the *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

6.1 Programme 1: Administration

This programme is dedicated to all supporting services within the department, the Office of the Ministry and all special projects.

The programme consists of two sub-programmes, namely: Office of the MEC and Corporate Services.

Tables 11.14 and 11.15 below illustrate a summary of payments and estimates for the financial years 2011/12 to 2017/18 relating to Programme 1.

As shown in the tables, the expenditure and budget against Programme 1 reflect an increasing trend over the seven-year period under review, with a slight decrease in the 2014/15 Main Appropriation, which is attributed to various once-off allocations in 2013/14, and these are explained below.

Table 11.14 : Summary of payments and estimates by sub-programme: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-----------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Office of the MEC | 17 232 | 18 001 | 19 888 | 23 802 | 22 317 | 22 317 | 25 769 | 27 650 | 29 115 |
| 2. Corporate Services | 238 259 | 293 496 | 298 992 | 294 203 | 331 151 | 331 151 | 326 625 | 343 275 | 348 411 |
| Total | 255 491 | 311 497 | 318 880 | 318 005 | 353 468 | 353 468 | 352 394 | 370 925 | 377 526 |

Table 11.15 : Summary of payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 241 529 | 280 275 | 291 652 | 300 224 | 317 244 | 316 977 | 329 540 | 356 433 | 366 209 |
| Compensation of employees | 92 587 | 124 758 | 141 556 | 155 576 | 154 806 | 154 562 | 170 144 | 186 317 | 200 600 |
| Goods and services | 148 942 | 155 517 | 150 096 | 144 648 | 162 438 | 162 415 | 159 396 | 170 116 | 165 609 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 6 658 | 8 839 | 11 853 | 4 615 | 14 211 | 14 211 | 12 649 | 6 518 | 4 235 |
| Provinces and municipalities | 120 | 143 | 154 | 180 | 152 | 152 | 200 | 201 | 202 |
| Departmental agencies and accounts | - | - | 1 278 | 1 801 | 1 801 | 1 801 | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 6 538 | 8 696 | 10 421 | 2 634 | 12 258 | 12 258 | 12 449 | 6 317 | 4 033 |
| Payments for capital assets | 7 200 | 22 351 | 15 365 | 13 166 | 22 013 | 22 257 | 10 205 | 7 974 | 7 082 |
| Buildings and other fixed structures | - | - | - | 4 000 | 4 000 | 4 000 | - | - | - |
| Machinery and equipment | 7 170 | 18 007 | 11 415 | 9 166 | 15 217 | 15 461 | 7 705 | 5 474 | 7 082 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 30 | 4 344 | 3 950 | - | 2 796 | 2 796 | 2 500 | 2 500 | - |
| Payments for financial assets | 104 | 32 | 10 | - | - | 23 | - | - | - |
| Total | 255 491 | 311 497 | 318 880 | 318 005 | 353 468 | 353 468 | 352 394 | 370 925 | 377 526 |

The sub-programme: Office of the MEC reflects an increasing trend over the period under review. The slight decrease in the 2014/15 Adjusted Appropriation can be attributed to funds reprioritised due to the slower than anticipated filling of critical posts, the difficulty in finding suitable candidates, as well as the internal moratorium on the filling of non-critical vacant posts. The increase over the MTEF is due to the filling of posts, taking into account the moratorium on the filling of non-critical vacant posts, and the related increase in operational costs.

The sub-programme: Corporate Services reflects an increasing trend over the period under review. The increase in 2012/13 was due to various once-off allocations including funds rolled over for computer servers. Funds were also reprioritised in respect of recruitment and selection costs, vehicle maintenance, computer services and training costs, as well as maintenance and repairs of various departmental buildings. The increase in 2013/14 can be ascribed to the improvement of the ICT system in the department as per the recommendations of the A-G, and the maintenance and upgrading of various departmental buildings as recommended by DOPW, among others. Also, once-off funding was allocated from the Strategic Cabinet Initiatives Fund under Vote 6: Provincial Treasury relating to the Nelson Mandela Marathon event, and accounts for the decrease in the 2014/15 Main Appropriation. The increase in the 2014/15 Adjusted Appropriation relates to once-off additional funding in respect of various projects such as improvement in the department's ICT system, installation of *Amakhosi*, 2012/13 Municipal Excellence awards, the marketing costs for the 20 years of democracy billboard campaign across the province, audit fees, etc., accounting for the decrease in 2015/16. The growth over the 2015/16 MTEF compared to the 2014/15 Main Appropriation is to cater for the filling of vacant posts, in line with the moratorium on the filling of non-critical vacant posts. In addition, the department reprioritised funds from Programme 4 to this programme in respect of the function shift of financial functions to ensure the correct alignment and control of all financial matters pertaining to the department and ensure accountability in the management of the traditional institutional financial affairs, as previously explained. The increase is also due to the reallocation of the external bursaries budgets that were previously centralised under OTP.

Compensation of employees shows an increasing trend from 2012/13 onward mainly due to the filling of posts, as well as above-budget annual salary increases. The slight decrease in the 2014/15 Adjusted Appropriation was due to non-filling of posts, as explained. The increase over the MTEF is to cater for the filling of critical posts, as well as annual salary increases.

Goods and services fluctuates over the period under review. The growth in 2012/13 was in respect of recruitment and selection costs, vehicle maintenance, computer services and training costs, as well as

maintenance and repairs of various departmental buildings. Most of these items were once-off, resulting in a decrease in 2013/14. The department undertook reprioritisation in 2013/14 for various projects such as the improvement in the department's ICT system, maintenance and repairs of departmental buildings, etc., as well as the Nelson Mandela Marathon event, as previously explained. Some of these items were once-off, accounting for the decrease in the 2014/15 Main Appropriation. The increase in the 2014/15 Adjusted Appropriation relates to various once-off projects such as improvement in the department's ICT system, installation of *Amakhosi*, the 2012/13 Municipal Excellence awards, the Nelson Mandela Marathon event, as indicated above, accounting for the decrease in 2015/16. The growth over the MTEF in comparison to the 2014/15 Main Appropriation is ascribed to funds reprioritised from Programme 4 for property payments, vehicle maintenance, etc., as well as inflationary increases.

Transfers and subsidies to: Provinces and municipalities relates to the payment of motor vehicle licences.

Transfers and subsidies to: Departmental agencies and accounts caters for the payment to PSETA, as explained previously. This was not paid prior to 2013/14, as it was introduced late in 2013/14. There are no figures over the MTEF as the payment to PSETA will be undertaken by national departments through DPSA, as explained previously.

The high amount against *Transfers and subsidies to: Households* in 2011/12 was in respect of the additional liability claims by the GEPP for officials retiring prior to the pensionable age. The increase in 2012/13 and 2013/14 was due to funds reprioritised to cater for leave gratuities, early retirement and severance packages, hence the decrease in the 2014/15 Main Appropriation. The increase in the 2014/15 Adjusted Appropriation pertains to the expansion of the external bursary programme, as well as higher than anticipated staff exit costs. The MTEF allocations mainly cater for the external bursaries, as well as the uMsekeli Municipal Support Services pensioners' medical aid obligation. The substantial decrease in 2016/17 and 2017/18 is due to the anticipation that most of the external bursaries beneficiaries will be graduating in 2015/16.

The once-off amount in 2014/15 against *Buildings and other fixed structures* was for the purchase of a park home for office accommodation in the Ixopo area to accommodate the additional staff appointed for the department's Traditional Affairs unit, as well as the additional CDWs appointed.

Machinery and equipment fluctuates over the period under review. The substantial growth in 2012/13 was mainly due to payments for computer servers ordered in 2011/12 but not delivered before year-end, as well as the purchase of computer equipment that was under-budgeted for. These allocations were once-off, accounting for the decrease in 2013/14. The 2013/14 amount includes once-off expenditure for the payment of official vehicles ordered in 2012/13, but only delivered and paid for in 2013/14, hence the decrease in the 2014/15 Main Appropriation. However, the increase in the 2014/15 Adjusted Appropriation relates to the payment of official vehicles ordered in 2013/14 but only delivered and paid for in 2014/15, the purchase of replacement vehicles for the departmental fleet, office furniture and computer equipment for new appointees, as well as the replacement of computer equipment in line with the ICT policy. These are once-off and, thus, account for the decrease in 2015/16. The fluctuating allocations over MTEF are linked to the filling of critical posts, and replacement of vehicles and computer equipment that are obsolete.

Spending against *Software and other intangible assets* was in respect of the once-off purchase computer software packages (system hosting servers, Blackberry Enterprise Services software, etc.). The amounts in 2012/13 and 2013/14 relate to the purchase of the Adobe Creative Suite 6 Design and Web Premium Software for the Development Information Services (DIS), which involves the establishment and maintenance of a comprehensive and accessible provincial GIS, which supports flagship projects such as the war on poverty in the province, provision of a wide range of standardised and customised maps, as well as storage and printing of orthophoto maps and plans. The amounts from 2012/13 onward also include the purchase of the Pastel Evolution software for the traditional levies and trust account in TCs. This project is anticipated to be completed in 2016/17, hence there is no amount in 2017/18.

The amounts from 2010/11 to 2012/13 against *Payments for financial assets* relate to the write-off of irrecoverable staff debts.

6.2 Programme 2: Local Governance

The purpose of the programme is to co-ordinate, support, promote and enhance governance, administration and public participation in local government. This programme conforms to the uniform budget and programme structure for the Co-operative Governance and Traditional Affairs sector. The programme consists of five sub-programmes in line with the sector specific budget format, namely: Municipal Administration, Municipal Finance, Public Participation, Capacity Development and Municipal Performance Monitoring, Reporting and Evaluation.

Tables 11.16 and 11.17 below illustrate a summary of payments and estimates for 2011/12 to 2017/18 relating to Programme 2. This programme 2 shows a fluctuating trend over the period under review, as explained below.

Table 11.16 : Summary of payments and estimates by sub-programme: Local Governance

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Municipal Administration | 58 673 | 28 551 | 30 823 | 33 811 | 38 906 | 38 906 | 34 353 | 37 414 | 38 032 |
| 2. Municipal Finance | 16 746 | 22 771 | 36 444 | 28 977 | 31 323 | 31 323 | 28 817 | 30 243 | 28 237 |
| 3. Public Participation | 85 684 | 114 785 | 139 870 | 126 571 | 126 659 | 126 659 | 138 089 | 146 597 | 155 447 |
| 4. Capacity Development | 1 311 | 4 422 | 4 544 | 4 990 | 6 069 | 6 069 | 8 139 | 8 689 | 12 659 |
| 5. Municipal Performance, Reporting & Evaluation | 4 302 | 11 560 | 11 058 | 14 442 | 17 083 | 17 083 | 15 762 | 16 665 | 17 572 |
| Total | 166 716 | 182 089 | 222 739 | 208 791 | 220 040 | 220 040 | 225 160 | 239 608 | 251 947 |

Table 11.17 : Summary of payments and estimates by economic classification: Local Governance

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 134 790 | 165 391 | 217 138 | 207 419 | 212 485 | 212 485 | 223 844 | 238 242 | 250 532 |
| Compensation of employees | 102 203 | 111 694 | 148 830 | 157 007 | 162 453 | 162 273 | 173 803 | 186 012 | 199 180 |
| Goods and services | 32 587 | 53 697 | 68 308 | 50 412 | 50 032 | 50 212 | 50 041 | 52 230 | 51 352 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 31 348 | 15 401 | 4 307 | 450 | 6 707 | 6 707 | 464 | 479 | 492 |
| Provinces and municipalities | 30 920 | 14 160 | 3 500 | - | 6 000 | 6 000 | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | 158 | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 428 | 1 083 | 807 | 450 | 707 | 707 | 464 | 479 | 492 |
| Payments for capital assets | 573 | 1 240 | 1 282 | 922 | 848 | 848 | 852 | 887 | 923 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 573 | 1 240 | 1 282 | 922 | 848 | 848 | 852 | 887 | 923 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 5 | 57 | 12 | - | - | - | - | - | - |
| Total | 166 716 | 182 089 | 222 739 | 208 791 | 220 040 | 220 040 | 225 160 | 239 608 | 251 947 |

The decrease against the sub-programme: Municipal Administration from 2012/13 onward mainly relates to the decrease in spending with regard to Umzimkulu support, due to the incorporation of the municipality into the province being largely on target. The further decrease in 2012/13 relates to the cancellation of the appointment of a panel of experts who were to undertake the implementation of the audit and financial support to municipalities, as a result of tender appeals. The decrease was mitigated by spending on the establishment of an animal pound in the Nongoma Municipality, and councillor training on municipal structures and management. The slight increase in 2013/14 was to cater for the deployment of administrators in affected municipalities. The increase in the 2014/15 Adjusted Appropriation relates to funds reprioritised mainly to cater for officials who were upgraded from levels 9 to 10 and 11 to 12 and received back pay in line with DPSA requirements, which was once-off and, hence the decrease in 2015/16. The growth over the MTEF mainly caters for inflationary increases, the filling of vacant posts (bearing in mind the moratorium on the filling of non-critical posts), and annual salary increases.

The sub-programme: Municipal Finance reflects low spending in 2011/12 mainly due to the longer than anticipated tender processes with the municipal audit queries and the special interventions projects, the slow start to the asset management framework roll-out, etc. The increase in 2012/13 and 2013/14 was in respect of the provision for projects such as Operation Clean Audit, special intervention projects such as financial interventions in affected municipalities, etc., which were once-off, accounting for the dip in the 2014/15 Main Appropriation. The increase in the 2014/15 Adjusted Appropriation was in respect of officials who were upgraded from levels 9 to 10 and 11 to 12 and received backpay in line with DPSA requirements. This was once-off, accounting for the decrease in 2015/16. The slightly low allocations over the MTEF (with the exception of 2016/17) in comparison to the 2014/15 Main Appropriation can be attributed to reprioritisation undertaken to the sub-programme: Capacity Development for capacity building in municipalities. The high 2016/17 amount includes once-off funding for municipal projects (such as Operation Clean Audit and financial interventions in affected municipalities).

The sub-programme: Public Participation fluctuates over the period. The increase in 2012/13 was mainly due to allocations for the employment of additional CDWs, as well as once-off funding for the purchase of tools of trade for CDWs, the payment of leave gratuities, and early retirement and voluntary severance packages. The increase in 2013/14 was mainly due to funds reprioritised from Programme 3 to cater for the salaries, cell phone contracts, laptops, travel and subsistence and furniture, etc., of the newly appointed 127 CDWs, in order to improve their work and reporting, and for the deployment of additional skilled professionals and administrators in municipalities. Some of this expenditure was once-off, accounting for the decrease in the 2014/15 Main Appropriation. The slight increase in the 2014/15 Adjusted Appropriation was to cater for higher than anticipated staff exit costs. The growth over the 2015/16 MTEF relates to the planned filling of critical posts, the provision of support to OSS in addressing service delivery needs of the communities, particularly communities in remote and rural areas, as well as the carry-through cost of the CDWs. Also, the allocations in 2015/16 and 2016/17 cater for preparations toward the 2016 local government elections in 2016/17.

The functions of the sub-programme: Capacity Development are to ensure the development and implementation of a comprehensive capacity building strategy for municipalities. The high 2014/15 Adjusted Appropriation can be attributed to capacitation of new council members and municipal officials, to bring them in line with the requirements of their posts and functions, after the 2014 general elections. This continues over the MTEF in preparation for the 2016/17 local government elections. The high 2017/18 amount can be attributed to the Capacity Building Skills Audit project in municipalities, and is aimed at determining where there is a need for training in areas such as financial and project management.

The sub-programme: Municipal Performance Monitoring, Reporting and Evaluation relates to strategic planning support to municipalities, with a focus on development planning, capacity building and the review and development of IDPs. The high 2012/13 amount relates to the implementation of the Monitoring and Evaluation database system for municipalities. The growth in 2013/14 can be attributed to funds reprioritised relating to the Municipal Excellence awards. This also explains the increase in the 2014/15 Adjusted Appropriation, accounting for the decrease in 2015/16. The allocations over the MTEF are to support municipalities to improve standards of service delivery and governance through the improvement of the performance management system in municipalities, as well as inflationary increments.

Compensation of employees reflects an increasing trend over the period under review due to annual salary adjustments, as well as the employment of additional CDWs to undertake community development work in all districts from 2012/13 onward. The increase in the 2014/15 Adjusted Appropriation was mainly to cater for officials who were upgraded from levels 9 to 10 and 11 to 12 and received back pay in line with DPSA requirements, the filling of critical posts, as well as for additional CDWs who joined the medical aid scheme. The increase over the MTEF is to cater for the planned filling of vacant posts (in line with the moratorium on the filling on non-critical vacant posts), as well as annual salary increases.

Spending against *Goods and services* was low in 2011/12 due to the longer than anticipated tender processes in the municipal audit queries project, as explained previously. The high 2012/13 amount relates to various once-off projects such as the Public Participation Citizen Satisfaction survey, municipal governance, deployment of skilled professionals, etc. The growth in 2013/14 relates to funds reprioritised in respect of cell phone contracts, laptops, travel and subsistence and furniture, etc., for the appointed

CDWs in order to improve their work and reporting, and for the deployment of additional skilled professionals and administrators in municipalities. Some of this expenditure was once-off, resulting in the decrease in the 2014/15 Main Appropriation. The low 2015/16 amount can be attributed to cost-cutting in line with National Treasury's fiscal consolidation cuts. The growth from 2016/17 onward is mainly due to inflationary increments.

The expenditure against *Transfers and subsidies to: Provinces and municipalities* in 2011/12 was mainly in respect of Umzimkulu support. The low 2012/13 amount was due to the completion of the Umzimkulu support and municipal governance and financial experts projects in 2011/12. Also, the 2012/13 amount consisted of funds shifted from *Goods and services* in respect of the Public Participation Citizen Satisfaction survey in various municipalities, additional funds allocated for the implementation of the Pound Act, municipal data cleansing, accredited councillor training, etc., which were mainly once-off, and accounted for the decrease in 2013/14. The 2013/14 amount relates to the 2011/12 Municipal Excellence awards, as well as the 2014/15 Adjusted Appropriation. The 2014/15 Adjusted Appropriation also includes R1 million for the Nongoma animal pound. There are no allocations against this category over the MTEF as most of the projects undertaken are once-off, and are based on requests from municipalities.

The amount against *Transfers and subsidies to: Public corporations and private enterprises* in 2012/13 was a donation to the KZN Top Business Portfolio with regard to the update of promotional DVDs to showcase successful growth in the province.

The amounts against *Transfers and subsidies to: Households* are mainly of respect of staff exit costs, which are not predictable, hence the fluctuations.

The fluctuation against *Machinery and equipment* is linked to the filling of vacant posts and the related purchase of office and computer equipment. The increase in 2012/13 was in respect of the purchase of tools of trade for the CDWs. The slight increase in 2013/14 was to cater for the purchase of furniture and equipment for new appointees, as well as the replacement of computers in line with the department's IT policy. The allocation over the MTEF is linked to the filling of critical posts, as well as the replacement of vehicles and computer equipment.

The amounts from 2010/11 to 2012/13 against *Payments for financial assets* relate to the write-off of irrecoverable staff debts.

Service delivery measures – Programme 2: Local Governance

Table 11.18 illustrates the main service delivery measures pertaining to Programme 2.

The performance target “new” in the 2014/15 Estimated performance illustrates that the indicator did not exist in 2014/15, and that it is a new indicator from 2015/16 onward.

The department reviewed its service delivery measures for 2015/16, and hence the number of new targets included.

Table 11.18 : Service delivery measures – Programme 2: Local Governance

| Outputs | | Performance indicators | Estimated performance | Medium-term targets | | | |
|---------|--|---|-----------------------|---------------------|----------------|----------------|--|
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 2.1 | Municipal Governance and Administration | | | | | | |
| 2.1.1 | Strengthening functionality of IGR structures | <ul style="list-style-type: none">No. of IGR structures functional in accordance with IGR framework | New | 5 per district | 5 per district | 5 per district | |
| 2.1.2 | Enforcement of legislation and policy in local govt and traditional institutions | <ul style="list-style-type: none">No. of municipalities comply with local govt legislation | New | 61 | 61 | 61 | |
| | | <ul style="list-style-type: none">No. of municipalities comply with local govt policies | New | 61 | 61 | 61 | |
| | | <ul style="list-style-type: none">No. of municipalities supported to comply with MSA regulations | New | 61 | 61 | 61 | |
| 2.1.3 | Strengthen functionality of oversight structures | <ul style="list-style-type: none">No. of municipalities with functional oversight structures | New | 61 | 61 | 61 | |

Table 11.18 : Service delivery measures – Programme 2: Local Governance

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|------------|---|---|---------------------|---------|---------|-----|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 2.2 | Municipal Finance | | | | | |
| 2.2.1 | Implement an Integrated Provincial Development and Investment Framework (based on MTEF of Provincial and National Depts and Municipal IDPs) | <ul style="list-style-type: none"> % of public sector expenditure spent in accordance to municipal IDP % of public sector capital expenditure within KZN spent in accordance with PGDS identified/aligned projects | New | 60% | 60% | 65% |
| | | | New | 50% | 55% | 60% |
| 2.2.2 | Implement progs to support financial viability and management in local govt and traditional institutions. (billing, over-spending and under-spending) | <ul style="list-style-type: none"> % of municipal expenditure on capital infrastructure (new constructions, maintenance and operation) No. of municipalities with SCM structures functional as per regulations No. of municipalities support to improve revenue management and debt collection No. of municipalities guided to comply with MPRA by target date | New | 70% | 80% | 90% |
| | | | New | 37 | 43 | 49 |
| | | | New | 20 | 30 | 40 |
| | | | New | 61 | 61 | 61 |
| 2.2.3 | Support municipalities to achieve unqualified audits | <ul style="list-style-type: none"> No. of municipalities with clean audits No. of municipalities with functional audit committees No. of municipalities monitored on implementation of Audit Response Plan based on 2014/15 audit outcomes monitored | New | 61 | 61 | 61 |
| | | | New | 61 | 61 | 61 |
| | | | New | 61 | 61 | 61 |
| 2.2.4 | Implement integrity management progs in dept and municipalities | <ul style="list-style-type: none"> No. of municipalities implementing anti-fraud and corruption strategy Report on functional provincial anti-corruption technical working groups developed No. of reports on fraud, corruption and maladministration cases reported and investigated | New | 61 | 61 | 61 |
| | | | New | 4 | 4 | 4 |
| | | | New | 4 | 4 | 4 |
| 2.3 | Public Participation | | | | | |
| 2.3.1 | Improve consultation, communication and feedback in municipalities and traditional councils | <ul style="list-style-type: none"> No. of municipalities supported to reduce service delivery protests No. of municipalities supported on development of ward level database with community concerns and remedial actions produced | New | 25 | 20 | 10 |
| | | | New | 51 | 51 | 51 |
| 2.3.2 | Strengthen functionality of ward committees | <ul style="list-style-type: none"> No. of municipalities with functional ward committees as per Municipal Structures/Systems Act No. of ward committees supported on implementation of ward operational plans Report on no. of community report back meetings convened by councillors in each ward | New | 51 | 51 | 51 |
| | | | 828 | 828 | 828 | 828 |
| | | | New | 51 | 51 | 51 |
| 2.3.3 | Strengthen ward based planning | <ul style="list-style-type: none"> No. of municipalities with ward based plans aligned to IDP | New | 51 | 51 | 51 |
| 2.4 | Capacity Building | | | | | |
| 2.4.1 | Implement a provincial capacity building strategy for local govt and traditional institutions (include progs within dept, as well as sector depts) | <ul style="list-style-type: none"> No. of municipalities capacitated in line with provincial capacity building strategy No. of progs complying with strategy % of provincial sector depts complying with strategy No. of municipalities supported to roll-out gender policy framework | New | 61 | 61 | 61 |
| | | | New | 4 | 4 | 4 |
| | | | New | 60% | 70% | 80% |
| | | | New | 61 | 61 | 61 |
| 2.5 | Municipal Performance Monitoring, Reporting and Evaluation | | | | | |
| 2.5.1 | Implement a single mechanism to measure and report on performance of municipalities | <ul style="list-style-type: none"> No. of municipalities complying with single reporting mechanism No. of progs complying with single reporting mechanism | New | 61 | 55 | 55 |
| | | | New | 4 | 4 | 4 |
| 2.5.2 | Monitoring, evaluation and reporting | <ul style="list-style-type: none"> No. of municipalities supported to institutionalise performance management system No. of municipal performance reports compiled as per requirements of Section 47 of MSA No. of municipalities supported through Support, Monitoring and Intervention Plans (SMIPS) No. of municipalities evaluated on administrative performance No. of municipalities supported to institutionalise performance management system | 20 | 61 | 55 | 55 |
| | | | 1 | 1 | 1 | 1 |
| | | | New | 61 | 55 | 55 |
| | | | New | 61 | 55 | 55 |
| | | | 20 | 61 | 55 | 55 |

6.3 Programme 3: Development and Planning

The purpose of this programme is to promote informed integrated planning and development in the province. This programme conforms to the uniform budget and programme structure for the Co-operative Governance and Traditional Affairs sector. This programme consists of six sub-programmes in the

2015/16 MTEF, in line with the sector specific budget format, namely: Spatial Planning, Land Use Management, Local Economic Development, Municipal Infrastructure, Disaster Management and IDP Co-ordination.

Tables 11.19 and 11.20 below illustrate a summary of payments and estimates for 2011/12 to 2017/18 relating to Programme 3. This programme reflects a fluctuating trend over the seven-year period.

Table 11.19 : Summary of payments and estimates by sub-programme: Development and Planning

| Audited Outcome | | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------|---------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| R thousand | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Spatial Planning | 20 665 | 22 625 | 33 519 | 39 723 | 41 462 | 41 004 | 37 418 | 47 531 | 45 213 |
| 2. Land Use Management | 14 267 | 14 855 | 17 353 | 21 911 | 19 108 | 19 108 | 23 483 | 24 545 | 26 019 |
| 3. Local Economic Development | 244 788 | 311 689 | 221 473 | 236 943 | 317 868 | 317 868 | 228 385 | 274 288 | 295 775 |
| 4. Municipal Infrastructure | 118 371 | 163 238 | 76 071 | 128 028 | 167 937 | 167 937 | 116 772 | 100 095 | 108 460 |
| 5. Disaster Management | 40 081 | 83 315 | 64 530 | 76 560 | 89 682 | 89 682 | 107 993 | 90 573 | 96 673 |
| 6. IDP Co-ordination | 13 022 | 18 504 | 17 945 | 22 456 | 20 380 | 20 838 | 20 547 | 20 191 | 22 444 |
| Total | 451 194 | 614 226 | 430 891 | 525 621 | 656 437 | 656 437 | 534 598 | 557 223 | 594 584 |

Table 11.20 : Summary of payments and estimates by economic classification: Development and Planning

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 135 632 | 159 896 | 183 689 | 296 970 | 280 189 | 278 134 | 381 941 | 490 122 | 529 392 |
| Compensation of employees | 48 022 | 57 960 | 94 545 | 119 116 | 104 661 | 104 621 | 127 543 | 143 452 | 153 978 |
| Goods and services | 87 610 | 101 936 | 89 144 | 177 854 | 175 528 | 173 513 | 254 398 | 346 670 | 375 414 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 313 691 | 431 707 | 229 425 | 174 847 | 295 264 | 302 318 | 73 756 | 5 000 | - |
| Provinces and municipalities | 311 991 | 430 284 | 228 574 | 155 877 | 243 160 | 250 160 | 61 656 | 4 800 | - |
| Departmental agencies and accounts | 1 700 | 1 000 | - | 18 850 | 18 850 | 18 850 | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | 400 | - | - | 33 254 | 33 254 | 12 100 | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | 23 | 851 | 120 | - | 54 | - | 200 | - |
| Payments for capital assets | 1 871 | 22 616 | 17 774 | 53 804 | 80 984 | 75 985 | 78 901 | 62 101 | 65 192 |
| Buildings and other fixed structures | 475 | 15 230 | 12 899 | 48 903 | 74 152 | 69 152 | 71 231 | 55 596 | 58 374 |
| Machinery and equipment | 1 396 | 7 386 | 4 722 | 4 701 | 6 832 | 6 833 | 7 470 | 6 305 | 6 618 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | 153 | 200 | - | - | 200 | 200 | 200 |
| Payments for financial assets | - | 7 | 3 | - | - | - | - | - | - |
| Total | 451 194 | 614 226 | 430 891 | 525 621 | 656 437 | 656 437 | 534 598 | 557 223 | 594 584 |

The upward trend in the sub-programme: Spatial Planning from 2013/14 onward was in respect of the filling of vacant posts, to cater for projects such as the Schemes Support (such as housing schemes in support of home-ownership) and Spatial Development Framework Support in municipalities. The increase in the 2014/15 Adjusted Appropriation can be ascribed to funds reprioritised for the supply, delivery and installation of lightning conductors for vulnerable communities in the province, which was once-off. The fluctuations over the MTEF are in line with spending on various municipal projects, as mentioned above, which are mostly once-off and based on requests from the municipalities.

The sub-programme: Land Use Management reflects an increasing trend over the period under review. The increase in 2013/14 was to provide for the filling of posts in line with the moratorium on the filling of non-critical posts, and for projects such as the Town Settlement Formalisation Support, etc. The decrease in the 2014/15 Adjusted Appropriation relates to funds reprioritised to the Spatial Planning and the Disaster Management sub-programmes due to the slower than anticipated filling of critical posts. The increase over the MTEF relates to inflationary increments.

The sub-programme: Local Economic Development fluctuates. The low 2011/12 amount was mainly a result of non-implementation of projects such as the Shared Service Support, IDP Support to Weak

Municipalities, etc., due to non-filling of posts (lack of capacity in the department). The substantial increase in 2012/13 was due to the roll-over of funds for the construction of three TACs by IDT, resulting from the longer than anticipated local labour negotiations with *Amakhosi*. The department shifted funds from Programme 4 to this sub-programme in respect of rural connectivity projects such as the TACs, MPCCs, etc., hence the decrease in 2013/14. Once-off additional funding was allocated to this sub-programme in the 2014/15 Adjusted Appropriation in respect of the organisation of the 2014 Nelson Mandela Marathon event, as well as for projects relating to the Small Town Rehabilitation programme in respect of rural development, as previously discussed. This accounts for the substantial decrease in 2015/16. Funds were reprioritised in 2015/16 to Programme 1, as explained above, hence the low amount in 2015/16 compared to the 2014/15 Main Appropriation. The increase in the two outer years of the MTEF is mainly due to inflation related increases.

The low 2011/12 amount against the sub-programme: Municipal Infrastructure relates to the reprioritisation of funds to Programme 4 to offset spending pressures relating to the salary adjustments of *Amakhosi*, laptops for 22 *Amakhosi* enrolled in a Leadership Training programme at UKZN, delays with the installation of water purification plants, etc. The increase in 2012/13 relates to the roll-over of funding for the installation of water purification plants in various municipalities. Also, once-off additional funds were received for projects in respect of the Massification programme, hence the substantial decrease in 2013/14. The decrease in 2013/14 is also due to funds not transferred to the municipalities due to their slow spending. The increase in the 2014/15 Adjusted Appropriation relates to various electrification projects, which was part of the Premier's 100-day commitments, as previously discussed, resulting in the decrease in 2015/16. The decrease over the MTEF compared to the 2014/15 Main Appropriation is attributed to reprioritisation undertaken, as discussed. The MTEF allocations cater for the operation and maintenance programme of existing and new municipal infrastructure and the Massification programme.

The sub-programme: Disaster Management fluctuates over the period under review. The substantial increase in 2012/13 relates to the roll-out of community capacity building and awareness campaigns relating to disaster management, as well as once-off spending on improving the disaster management centres' capabilities, which explains the decrease in 2013/14. The increase in the 2014/15 Adjusted Appropriation was in respect of the roll-over from 2013/14 for the completion of the PDMC, and funds reprioritised for the electrification projects in the uMngeni, eDumbe and Umzimkulu local municipalities, aimed at addressing high priority and high impact infrastructure projects in the province, thereby accelerating service delivery to communities. The MTEF allocations mainly cater for the establishment of fully operational disaster management centres in all districts. The slight drop in 2015/16 is in accordance with the allocations for the construction of disaster management centres in the district municipalities. The declining growth over the MTEF is in line with the disaster management centres' needs, as most of these centres are being completed and stocked with emergency relief materials.

The sub-programme: IDP Co-ordination reflects a largely increasing trend over the period under review and caters for shared services projects in municipalities (which are dependent on the number of municipalities needing the services at a particular time). The increase in 2012/13 can be attributed to projects such as the Community Participation in IDPs, Development Planning and Shared Services and Shared Service Support undertaken. The reduction in 2013/14 relates to funds reprioritised to other programmes due to slow spending by municipalities. The decrease in the 2014/15 Adjusted Appropriation is attributed to funds reprioritised due to slower than anticipated filling of critical vacant posts to other areas of spending pressures. Further reprioritisation was undertaken over the MTEF due to various once-off projects such as the IDP Assessment Support, Traditional Settlement Master Plans, the purchase of furniture and laptops for new appointees, etc., that are being completed in 2014/15, accounting for the decrease over the MTEF in comparison to the 2014/15 Main Appropriation.

The increase in *Compensation of employees* over the period can be attributed to the filling of vacant posts, as well as the above-budget wage increases. The decrease in the 2014/15 Adjusted Appropriation was due to the internal moratorium on the filling of non-critical posts. The 2015/16 MTEF reflects a substantial increase for the filling of vacant posts (which will take into account the moratorium on the filling of non-critical vacant posts), as well as inflationary increments.

The low 2011/12 amount against *Goods and services* was due to delays in the implementation of various projects such as the Shared Service Support, IDP Support to Weak Municipalities, improvement to Operational Frameworks Systems, etc., as explained previously. The high 2012/13 amount relates to the roll-out of community capacity building and awareness campaigns relating to disaster management, as well as once-off spending on improving the disaster management centres' capabilities, which explains the decrease in 2013/14. The slight decrease in the 2014/15 Adjusted Appropriation can be ascribed to delays with the implementation of the operations and maintenance programme. The further decrease in the 2014/15 Revised Estimate relates to the shift undertaken to *Transfers and subsidies to: Provinces and municipalities* in respect of disaster management, as previously discussed. Prior to the 2014/15 MTEF, the department budgeted for projects such as the Corridor Development, Massification and the Small Town Rehabilitation programmes against *Goods and services*, and then shifted the funds to *Transfers and subsidies to: Provinces and municipalities* in-year after an annual exercise indicated that the municipalities had the necessary capacity to deliver on the particular projects themselves. However, during the 2014/15 budget process, the department, together with Provincial Treasury, agreed to budget for these programmes against *Transfers and subsidies to: Provinces and municipalities*. But in the 2015/16 budget process, the department has reverted back to the previous way of budgeting for these projects in *Goods and services* due to slow spending in municipalities and the difficulty in identifying the recipient municipalities timeously during the budget process. This has resulted in high amounts against this category and low amounts against *Transfers and subsidies to: Provinces and municipalities* over the MTEF.

With regard to *Transfers and subsidies to: Provinces and municipalities*, the low 2011/12 amount was due to delays in the implementation of business plans for various projects, such as the Small Town Rehabilitation programme by the municipalities. The substantial increase in 2012/13 relates to the increase in projects in respect of Corridor Development, Small Town Rehabilitation, as well as once-off projects such as the district growth and development summit, etc. Also, additional funding was allocated for the Massification programme (for the provision of electricity, water and sanitation in various municipalities). As explained above, the low 2013/14 amount was due to the department not transferring funds as anticipated as a result of slow spending by various municipalities. The department reprioritised the funds to offset spending pressures in other categories. This explains the low amount in the 2014/15 Main Appropriation. The increase in the 2014/15 Adjusted Appropriation relates to once-off additional funds in respect of electrification projects, as well as projects relating to the Small Town Rehabilitation programme, which aims for the development of rural areas. The increase in the 2014/15 Revised Estimate is attributed to shifts undertaken from *Goods and services* in respect of disaster management and *Buildings and other fixed structures* relating to the rehabilitation of the Bulwer CSC, as it was deemed that the municipalities are able to undertake the projects themselves. As explained above, the decrease over the MTEF is due to the department budgeting for the projects relating to Corridor Development, Massification and Small Town Rehabilitation programmes under *Goods and services*. The funds will be moved in the Adjustments Estimate when municipalities have been identified and have proven that they are able to spend the funds. The MTEF allocations include some projects identified with regard to the Massification programme, the construction of TSCs, as well as for the Development Planning and Shared Services.

The 2011/12 expenditure against *Transfers and subsidies to: Departmental agencies and accounts* relates to a transfer to ADA for the communal vegetable farming project at KwaSani, and for an agri-processing facility at Middlerus in Mpofana. The 2012/13 amount relates to a transfer to TKZN for the erection of tourism signage, as explained previously. The 2014/15 amount relates to a transfer to ADA for the implementation of the Uthukela *Amakhosi* programme and the Msinga Asisukume Co-operative.

The amount against *Transfers and subsidies to: Public corporations and private enterprises* relates to a donation to SAPI in respect of the PAC. The 2014/15 Adjusted Appropriation and the 2015/16 amount comprise of transfers to the uMhlathuze Water Board for the provision of portable water delivery services to district municipalities and for the expenditure incurred relating to the 2014 general elections, respectively, as previously explained.

Transfers and subsidies to: Households caters mainly for staff exit costs, which fluctuate over the period due to the difficulty in forecasting accurately for this category as a result of its uncertain nature.

Buildings and other fixed structures makes provision for the construction of TACs, TSCs, CSCs, as well as houses for *Amakhosi*. This category fluctuates over the seven-year period due to challenges experienced with the construction of these centres, which resulted in minimal expenditure in 2011/12. This led to the department appointing IDT to assist with the construction of these centres. The high 2012/13 amount relates mainly to the roll-over of funds from 2011/12 for the construction of TACs that were not completed before year-end due to longer than anticipated local labour negotiations with *Amakhosi*. The department also shifted funds to this category in this regard. This accounts for the low 2013/14 expenditure. Also contributing to the low expenditure in 2013/14, were delays in the completion of the PDMC in Mkondeni, as previously explained. The substantial increase in the 2014/15 Main Appropriation can be ascribed to the reprioritisation from *Goods and services* for the construction of additional TACs, as well as additional funds, allocated in 2014/15 only, for the construction and rehabilitation of CSCs. The further increase in 2014/15 is attributed to once-off additional funds allocated for the Small Town Rehabilitation programme that the department will undertake on behalf of municipalities, accounting for the dip in 2015/16. The reduction in the 2014/15 Revised Estimate resulted from the shifting of funds to *Transfers and subsidies to: Provinces and municipalities* relating to the rehabilitation of the Bulwer CSC, as discussed. The declining growth over the MTEF is in line with the department's project plans, as more houses are built for *Amakhosi*, and the various centres are constructed, thus the decrease in the number of houses and the centres required by *Amakhosi* and various municipalities, respectively.

The fluctuations against *Machinery and equipment* from 2011/12 onward are linked to the filling of vacant posts and the related purchase of office and computer equipment. The high 2012/13 amount was mainly due to the installation of lightning conductors at disaster management centres, as well as the purchase of office furniture and computer equipment for new appointees, resulting in the decrease in 2013/14. The increase in the 2014/15 Adjusted Appropriation relates to the supply, delivery and installation of lightning conductors for vulnerable communities in the province. The fluctuating MTEF allocations are linked to the filling of critical posts and the related purchase of office and computer equipment, as well as the purchase of new and replacement vehicles.

The amounts in 2013/14 and over the MTEF against *Software and other intangible assets* relate to the establishment and maintenance of a comprehensive and accessible provincial GIS, which supports flagship projects such as war on poverty in the province, provision of a wide range of standardised and customised maps, and the storage and printing of orthophoto maps and plans. The allocation in the 2014/15 Main Appropriation was reprioritised due to an existing GIS online system licence that covers the Enterprise software licence that was budgeted for.

Service delivery measures – Programme 3: Development and Planning

Table 11.21 below gives the main service delivery measures pertaining to Programme 3. The performance target “new” in the 2014/15 Estimated performance shows that the indicator did not exist in 2014/15, and that it is a new indicator from 2015/16 onward. The department reviewed its service delivery measures for 2015/16, and hence the number of new targets reflected.

Table 11.21 : Service delivery measures – Programme 3: Development and Planning

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | |
|---|--|-----------------------|---------------------|---------|---------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 3.1 Spatial Planning | | | | | |
| 3.1.1 Support municipalities to improve spatial location of services (govt, social and basic) in line with Provincial Spatial Planning (guidelines/frameworks & regulatory framework) | • No. of municipal SDFs aligned with Provincial Spatial Planning guidelines | 61 | 61 | 61 | 61 |
| 3.1.2 Implementation of densification framework | • No. of municipalities monitored on implementation of densification framework | 2 | 5 | 5 | 5 |
| 3.1.3 Support municipalities to improve spatial location of services in line with provincial spatial framework | • Increase in population density within designated development areas | New | 6.5 households/ha | - | - |
| | • Spatial distribution of Human Development Index (HDI) at provincial scale | New | 66% | 64% | 62% |

Table 11.21 : Service delivery measures – Programme 3: Development and Planning

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|------------|---|---|---------------------|-------------------|-------------------|-------------------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 3.1.4 | Implementation of Spatial Planning Land Use Management (SPLUMA) and Planning and Development Act (PDA) | • % of total provincial geographical area with LUM schemes and systems | New | 50% | 65% | 80% |
| 3.1.5 | Implementation of a suite of plans | • No. of regional plans developed | 1 | 1 | 1 | 1 |
| | | • No. of municipalities supported to produce a suite of plans | New | 6 | 6 | 6 |
| 3.2 | Development Information Services | | | | | |
| 3.2.1 | Support co-ordination of PGDP oriented initiatives through spatial information products | • % of adopted municipal schemes in the province mapped | New | 100% | 100% | 100% |
| 3.2.2 | Disaster monitoring (GIS to plot early warning and effectiveness thereof, response, impact, frequency of disasters) | • Share of events with early warning systems, where affected parties received prior warning | New | 100% | 100% | 100% |
| 3.3 | Land Use Management | | | | | |
| 3.3.1 | Implementation of SPLUMA and PDA | • % of development applications that meet time norms for processing | New | 70% | 73% | 76% |
| | | • No. of municipalities capacitated on PDA | 51 | 51 | 56 | 56 |
| | | • No. of municipalities supported with formalisation of towns | 12 | 12 | 12 | 13 |
| | | • No. of municipalities supported with implementation of SPLUMA | 51 | 51 | 56 | 56 |
| | | • Share of provincial geographical area with index of multiple deprivation scores higher than lowest provincial quintile | New | 66% | 64% | 62% |
| 3.4 | Local Economic Development | | | | | |
| 3.4.1 | Co-ordination of public and private stakeholders to drive economic potential in each district | • No. of district agencies supported to effectively drive LED | New | 10 | 10 | 10 |
| | | • No. of districts/metro supported with informal economy initiatives | New | 11 | 11 | 11 |
| 3.4.2 | Support districts to establish agri-hubs/fresh produce market facilities aligned to school nutrition prog | • No. of municipalities with agri-hubs/fresh produce market facilities aligned to the school nutrition prog | 4 | 2 | 2 | 2 |
| | | • No. of municipalities supported to implement LED projects in line with municipal LED strategies | New | 10 | 10 | 10 |
| | | • No. of municipalities monitored to reduce cost of doing business through red tape intervention | New | 11 | 11 | 11 |
| 3.4.3 | Support development of key Corridor Development plans | • No. of Corridor Development plans developed | New | 1 | 1 | 1 |
| | | • No. of Corridor projects supported for implementation in line with Corridor plans | 10 | 10 | 10 | 10 |
| 3.4.4 | Support establishment of CSCs in key nodes aligned to provincial framework | • No. of CSCs infrastructure progs implemented | 6 | 1 | 1 | 1 |
| | | • No. of Grade 1 CSCs supported for effective functionality | New | 25 | 25 | 25 |
| 3.4.5 | Create employment opportunities through Corridor Development and Small Town Rehabilitation | • No. of Grade 2 CSCs supported for effective functionality | New | 20 | 25 | 30 |
| | | • No. of work opportunities created through CWP in municipalities | 30 500 | 31 500 | 32 500 | 32 500 |
| | | • No. of employment opportunities created through EPWP inclusive of all sectors (FFW, Corridor, Small Town, CSC construction) | 1 500 | 1 500 | 2 000 | 2 500 |
| 3.5 | Municipal Infrastructure | | | | | |
| 3.5.1 | Co-ordinate service delivery through development of credible implementation plans | • No. of municipalities implementing a long term service delivery plan | New | 61 | 61 | 61 |
| | | • No. of infrastructure forums established to co-ordinate water conservation and demand management | 2 | 1 | 1 | 1 |
| 3.5.2 | Capacitate municipalities on delivery of infrastructure services | • No. of municipalities with a reduction in infrastructure services backlogs | New | 61 | 61 | 61 |
| | | • No. of municipalities assessed against service delivery benchmarks | 60 | 61 | 61 | 61 |
| | | • No. of municipalities supported to implement indigent policies | 20 | 61 | 61 | 61 |
| | | • No. of functional co-ordinating structures for infrastructure development and service delivery | 8 | 8 | 8 | 8 |
| | | • No. of municipalities supported with service delivery progs | 38 | 61 | 61 | 61 |
| 3.5.3 | Co-ordinate with Dept of Water Affairs (DWA) for roll out of 75 litres of water per person per day | • Cubic metres per capita per year available | New | 917m ³ | 935m ³ | 950m ³ |
| | | • % of water service systems in balance (supply and demand balance) | New | 40% | 45% | 50% |

Table 11.21 : Service delivery measures – Programme 3: Development and Planning

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|------------|---|-----------------------|-----------------------|-------------------------|-------------------------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| | <ul style="list-style-type: none"> Value of development/rezoning applications not approved due to bulk water and effluent constraints | New | 700 million | 675 million | 650 million | |
| | <ul style="list-style-type: none"> % of households with access to 75 litres of water per person per day | New | 95% | 96% | 97% | |
| | <ul style="list-style-type: none"> % of households with yard water connections | New | 28% | 30% | 32% | |
| | <ul style="list-style-type: none"> % of households with sanitation to MIG standards | New | 93% | 95% | 97% | |
| 3.5.4 | Assess and monitor IDPs to ensure that 10% of budgets is allocated to operations and maintenance | New | 37 | 46 | 49 | |
| 3.5.5 | Improve supply of energy through development of implementation plans (long term) | New | 80% | 83% | 85% | |
| 3.6 | Disaster Management | | | | | |
| 3.6.1 | Climate change factored into planning and development processes (disaster sector plans with budgeted progs) | New | 60% | 70% | 80% | |
| 3.6.2 | Policy frameworks, plans and strategies to reduce risks | New | 10 districts & metro | 10 districts & metro | 10 districts & metro | |
| 3.6.3 | Early warning systems | New | 100% | 100% | 100% | |
| 3.6.4 | Co-ordinate interventions and support through disaster management institutional structures, improve preparedness through capacity building progs and internalise disaster management planning in relevant structures (mainstream disaster management function within relevant stakeholders) | New | 72 hours | 72 hours | 72 hours | |
| | | New | 10 districts & metro | 10 districts & metro | 10 districts & metro | |
| 3.6.5 | Co-ordinate interventions and support through disaster management institutional structures stakeholders | New | 10 districts & metro | 10 districts & metro | 10 districts & metro | |
| 3.7 | IDP Co-ordination | | | | | |
| 3.7.1 | Implement an Integrated Provincial Development and Investment (IPDI) framework (based on MTEF of provincial and national depts and municipal IDPs) | New | 1 framework developed | 1 framework implemented | 1 framework implemented | |
| 3.7.2 | Expand current shared services model to include local govt | New | 10 | 10 | 10 | |
| 3.7.3 | Development of community responsive IDPs within legislated framework | 61 | 61 | 61 | 61 | |

6.4 Programme 4: Traditional Institutional Management

The purpose of this programme is to support and enhance the capacity of traditional councils. This programme conforms to the uniform budget and programme structure for the Co-operative Governance and Traditional Affairs sector.

The programme consists of four sub-programmes in the 2015/16 MTEF, in line with the sector specific budget format, namely: Traditional Institutional Administration, Traditional Resource Administration, Rural Development Facilitation and Traditional Land Administration.

Tables 11.22 and 11.23 below illustrate a summary of payments and estimates for 2011/12 to 2017/18 relating to Programme 4.

Table 11.22 : Summary of payments and estimates by sub-programme: Traditional Institutional Management

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Traditional Institutional Administration | 123 782 | 106 726 | 128 985 | 151 768 | 128 678 | 128 678 | 138 890 | 143 967 | 153 888 |
| 2. Traditional Resource Administration | 56 308 | 66 502 | 106 600 | 101 551 | 90 755 | 90 755 | 79 797 | 85 770 | 88 607 |
| 3. Rural Development Facilitation | 36 636 | 17 418 | 15 880 | 17 976 | 19 294 | 19 294 | 18 616 | 19 945 | 21 291 |
| 4. Traditional Land Administration | 16 222 | 16 092 | 18 521 | 24 364 | 18 022 | 18 022 | 18 588 | 19 482 | 20 923 |
| Total | 232 948 | 206 738 | 269 986 | 295 659 | 256 749 | 256 749 | 255 891 | 269 164 | 284 709 |

Table 11.23 : Summary of payments and estimates by economic classification: Traditional Institutional Management

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 200 283 | 194 101 | 238 842 | 282 539 | 244 854 | 244 775 | 246 688 | 259 537 | 274 159 |
| Compensation of employees | 100 709 | 117 329 | 138 343 | 168 767 | 150 849 | 150 770 | 165 739 | 176 870 | 189 104 |
| Goods and services | 99 574 | 76 772 | 100 499 | 113 772 | 94 005 | 94 005 | 80 949 | 82 667 | 85 055 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 5 674 | 1 039 | 1 288 | 200 | 1 784 | 1 842 | 1 100 | 550 | 550 |
| Provinces and municipalities | 5 250 | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | 100 | - | - | - | - | - | - | - |
| Households | 424 | 939 | 1 288 | 200 | 1 784 | 1 842 | 1 100 | 550 | 550 |
| Payments for capital assets | 26 925 | 11 550 | 29 855 | 12 920 | 10 111 | 10 111 | 8 103 | 9 077 | 10 000 |
| Buildings and other fixed structures | 22 150 | 8 995 | 26 170 | 7 000 | 7 000 | 7 000 | 7 000 | 8 000 | 10 000 |
| Machinery and equipment | 4 775 | 2 555 | 3 685 | 3 420 | 3 111 | 3 111 | 1 103 | 1 077 | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | 2 500 | - | - | - | - | - |
| Payments for financial assets | 66 | 48 | 1 | - | - | 21 | - | - | - |
| Total | 232 948 | 206 738 | 269 986 | 295 659 | 256 749 | 256 749 | 255 891 | 269 164 | 284 709 |

Programme 4 fluctuates over the period under review mainly due to the once-off support to various municipalities at different times.

The high 2011/12 amount against the sub-programme: Traditional Institutional Administration was due to the establishment costs of the Provincial Committee on Traditional Leadership Disputes and Claims Commission to deal with distortions and misrepresentation of *Ubukhosi* (kingship) in the province, of which the bulk of the project was implemented in 2011/12, hence the slight drop in 2012/13. The increase in 2013/14 was mainly due to the sitting allowances of TC members, the establishment of a Commission on Disputes, a seminar on Umzimkulu, an increase in the salaries of *Amakhosi*, an increase in the salaries of *Izinduna* and TC secretaries, etc. The reduction in the 2014/15 Adjusted Appropriation is due to the shifts undertaken to Programme 1 within the same economic categories to align the functions of the department to ensure the proper management of the financial matters pertaining to the traditional institutions, of which the purpose of the funds remain unchanged, as well as funds reprioritised due to non-filling of non-critical vacant posts, as previously discussed. The decrease over the MTEF, in comparison to the 2014/15 Main Appropriation, relates to funds reprioritised to other programmes due to the implementation of financial controls, mainly with regard to the travel and subsistence budget.

The sub-programme: Traditional Resource Administration fluctuates over the period under review. The growth in 2012/13 was in respect of the construction of *Imizi Yesizwe*. The substantial increase in 2013/14 was due to funds reprioritised from Programme 3 for the payment of backdated acting allowances and the re-grading of staff from levels 9 to 10 and 11 to 12. These were once-off, and account for the decrease in the 2014/15 Main Appropriation. The decrease in the 2014/15 Adjusted Appropriation can be attributed to decreases (stringent controls on kilometres travelled) in travel and subsistence claims, savings associated with non-filling of non-critical vacant posts, as well as the implementation of financial controls, and the resultant savings were reprioritised to other programmes. The decrease over the MTEF, compared to the

2014/15 Main Appropriation, was due to an internal moratorium placed on the filling of non-critical vacant posts, and savings realised from travel and subsistence as a result of the implementation of financial controls. These were reprioritised to other programmes over the MTEF.

The high amount against the sub-programme: Rural Development Facilitation in 2011/12 relates to the establishment of TSCs, etc. The decrease in 2012/13 was mainly due to funds reprioritised, as a result of the slow start in the construction of TACs to Programme 1 for vehicle and office maintenance, computer services and training costs, as well as funds shifted to Programme 3 within the same economic categories in respect of rural connectivity projects such as the TACs, MPCCs, etc., as they were better placed in Programme 3. The decrease in 2013/14 was due to reprioritisation as a result of slower than anticipated filling of posts to other areas of spending pressures. The slight increase in the 2014/15 Adjusted Appropriation resulted from reprioritisation to cater for the payment of leave gratuities, which were not anticipated due to their unpredictable nature. The growth over the 2015/16 MTEF in comparison to the 2014/15 Main Appropriation relates mainly to inflationary increments.

The sub-programme: Traditional Land Administration shows a steady increase over the seven years, and is in respect of the demarcation of residential, commercial and institutional land rights applications for various developments in communal land. The decrease in the 2014/15 Adjusted Appropriation can be attributed to a decrease in travel and subsistence claims, savings associated with non-filling of non-critical vacant posts, as well as the implementation of financial controls, which was reprioritised to other programmes. The decrease over the MTEF, compared to the 2014/15 Main Appropriation, was due to an internal moratorium placed on the filling of non-critical vacant posts, and savings realised from travel and subsistence as a result of the implementation of financial controls. These were reprioritised to other programmes over the MTEF, as explained.

Compensation of employees reflects a steady increase from 2012/13 due to the filling of posts, as well as above-budget wage agreements. The increase in 2013/14 was due to the increase in the salaries of *Amakhosi*, as well as the increase in the salaries of *Izinduna* and TC secretaries. The decrease in the 2014/15 Adjusted Appropriation was due to the non-filling of non-critical vacant posts, with savings reprioritised to other programmes. The decrease in 2015/16 compared to the 2014/15 Main Appropriation was due to reprioritisation to other programmes as a result of an internal moratorium placed on the filling of non-critical vacant posts, as explained. The increase in the two outer years of the MTEF relates to the filling of posts in line with the moratorium on the filling of non-critical posts, as well as inflationary increases.

The high 2011/12 amount against *Goods and services* relates to a once-off allocation for the induction of new TCs and Local House members, and the provision of tools of trade for the House of Traditional Leaders, explaining the decrease in 2012/13. The increase in 2013/14 relates to the sitting allowance of TC members, the establishment of a Commission on Disputes, a seminar on Umzimkulu, etc., as previously mentioned. The reduction in the 2014/15 Adjusted Appropriation resulted from the decrease in travel and subsistence claims, savings associated with non-filling of non-critical vacant posts, as well as the implementation of financial controls. The decrease over the MTEF, in comparison to the 2014/15 Main Appropriation, was due to an internal moratorium placed on the filling of non-critical vacant posts, and savings realised from travel and subsistence as a result of the implementation of financial controls. These were reprioritised to other programmes over the MTEF.

The 2011/12 amount against *Transfers and subsidies to: Provinces and municipalities* relates to the operational support for the TSCs in the Abaqulusi Municipality for the establishment of a TSC, as well as for the operational support of TSCs and provisional security at MPCCs. The department undertook to carry out these functions itself, hence no further transfers were made.

The amount in 2012/13 against *Transfers and subsidies to: Non-profit institutions* comprised of a donation to Sakhisizwe Management Agency for the heritage month celebration.

Transfers and subsidies to: Households caters mainly for staff exit costs, which fluctuate over the period due to the difficulty in forecasting accurately for this category as a result of its uncertain nature.

The high 2011/12 amount against *Buildings and other fixed structures* relates to the increase in the number of houses built for *Amakhosi* in respect of *Imizi Yesizwe*. The substantial decrease in 2012/13 was due to the slow start in the construction of *Imizi Yesizwe*, as previously explained. The increase in 2013/14 was to cater for additional houses, as well as the rehabilitation of TSCs. The MTEF allocations cater for additional houses, as well as the rehabilitation of TACs and are based on the need for these houses and centres.

The fluctuations against *Machinery and equipment* from 2011/12 onward are mainly linked to the filling of vacant posts and the related purchase of office and computer equipment, vehicles, etc. The decrease in 2012/13 relates to furniture and equipment for TACs that was not purchased due to non-completion of the TACs. The department will review the allocations over the MTEF in future MTEFs.

The amount against *Software and other intangible assets* was shifted to Programme 1 in the 2014/15 Adjusted Appropriation as a result of the function shift, as discussed.

Service delivery measures – Programme 4: Traditional Institutional Management

Table 11.24 below illustrates the main service delivery measures pertaining to Programme 4.

The performance target “new” in the 2014/15 Estimated performance illustrates that the indicator did not exist in 2014/15, and that it is a new indicator from 2015/16 onward. The department reviewed its service delivery measures for 2015/16, and hence the number of new targets reflected.

Table 11.24 : Service delivery measures – Programme 4: Traditional Institutional Management

| Outputs | | Performance indicators | Estimated performance | Medium-term targets | | |
|---------|--|---|-----------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 4.1. | Traditional Institutional Administration | | | | | |
| 4.1.1 | Enforcement of legislation and policy in local govt and traditional institutions | <ul style="list-style-type: none">No. of traditional institutions comply with traditional institutional legislationNo. of traditional institutions comply with traditional institutional policiesNo. of <i>Amakhosi</i> installedNo. of <i>Amakhosi</i> recognised | New | 224 | 56 | 56 |
| | | | New | 1 provincial house & 11 local houses | 1 provincial house & 11 local houses | 1 provincial house & 11 local houses |
| | | | 10 | 5 | 5 | 5 |
| | | | 10 | 7 | 7 | 7 |
| 4.2. | Traditional Resource Administration | | | | | |
| 4.2.1 | Implement a provincial capacity building strategy for local govt and traditional institutions (include progs within dept, as well as sector depts) | <ul style="list-style-type: none">No. of traditional institutions capacitated in line with capacity building strategyNo. of provincial house and local houses that are fully functional | New | 1 provincial house & 11 local houses | 1 provincial house & 11 local houses | 1 provincial house & 11 local houses |
| | | | New | 1 provincial house & 11 local houses | 1 provincial house & 11 local houses | 1 provincial house & 11 local houses |
| 4.3. | Rural Development Facilitation | | | | | |
| 4.3.1 | Participation of traditional leaders in municipal and IGR structures | <ul style="list-style-type: none">No. of municipalities with participation of traditional leaders | 61 | 61 | 61 | 61 |
| 4.4. | Traditional Land Administration | | | | | |
| 4.4.1 | Support traditional institutions to identify and survey 100 hectares per TC for agriculture | <ul style="list-style-type: none">% of TCs with 100 hectares of land surveyed for agricultural use | New | 20% | 40% | 60% |

7. Other programme information

7.1 Personnel numbers and costs

Table 11.25 below illustrates the personnel estimates pertaining to the department at a programme level.

The personnel numbers reflect an increase from 31 March 2013 onward, which is largely attributed to the filling of vacant posts.

The department will continue to fill posts over the MTEF, while bearing in mind the moratorium on the filling of non-critical posts.

Table 11.25 : Personnel numbers and costs by programme

| 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 | 415 | 460 | 533 | 519 | 533 | 540 | 540 |
| 2. Local Governance of which | 479 | 563 | 565 | 598 | 612 | 612 | 612 |
| CDWs | 347 | 463 | 463 | 471 | 471 | 471 | 471 |
| 3. Development and Planning | 160 | 176 | 240 | 234 | 241 | 241 | 241 |
| 4. Traditional Institutional Management | 278 | 283 | 321 | 313 | 330 | 313 | 313 |
| Total | 1 332 | 1 482 | 1 659 | 1 664 | 1 716 | 1 706 | 1 706 |
| Total personnel cost (R thousand) | 343 521 | 411 741 | 523 274 | 572 226 | 637 229 | 692 651 | 742 862 |
| Unit cost (R thousand) | 258 | 278 | 315 | 344 | 371 | 406 | 435 |

Table 11.26 below summarises the numbers and costs related to various components and categories of workers in the department.

Table 11.26 : Summary of departmental personnel numbers and costs by component

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------|---------|-----------------------|---------------------------|---------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Total for the department | | | | | | | | | |
| Personnel numbers (head count) | 1 332 | 1 482 | 1 659 | 1 791 | 1 664 | 1 664 | 1 716 | 1 706 | 1 706 |
| Personnel cost (R thousands) | 343 521 | 411 741 | 523 274 | 600 466 | 572 769 | 572 226 | 637 229 | 692 651 | 742 862 |
| Human resources component | | | | | | | | | |
| Personnel numbers (head count) | 127 | 156 | 236 | 182 | 182 | 182 | 172 | 172 | 172 |
| Personnel cost (R thousands) | 19 234 | 27 435 | 37 251 | 36 304 | 36 304 | 36 304 | 24 819 | 24 819 | 24 819 |
| Head count as % of total for department | 9.53 | 10.53 | 14.23 | 10.16 | 10.94 | 10.94 | 10.02 | 10.08 | 10.08 |
| Personnel cost as % of total for department | 5.60 | 6.66 | 7.12 | 6.05 | 6.34 | 6.34 | 3.89 | 3.58 | 3.34 |
| Finance component | | | | | | | | | |
| Personnel numbers (head count) | 93 | 112 | 105 | 99 | 113 | 113 | 115 | 115 | 115 |
| Personnel cost (R thousands) | 20 812 | 25 057 | 28 635 | 29 943 | 26 856 | 26 856 | 28 978 | 31 238 | 33 674 |
| Head count as % of total for department | 6.98 | 7.56 | 6.33 | 5.53 | 6.79 | 6.79 | 6.70 | 6.74 | 6.74 |
| Personnel cost as % of total for department | 6.06 | 6.09 | 5.47 | 4.99 | 4.69 | 4.69 | 4.55 | 4.51 | 4.53 |
| Full time workers | | | | | | | | | |
| Personnel numbers (head count) | 1 258 | 1 392 | 1 422 | 1 747 | 1 437 | 1 437 | 1 529 | 1 519 | 1 519 |
| Personnel cost (R thousands) | 328 648 | 337 437 | 480 371 | 540 313 | 522 106 | 521 563 | 594 701 | 646 192 | 695 802 |
| Head count as % of total for department | 94.44 | 93.93 | 85.71 | 97.54 | 86.36 | 86.36 | 89.10 | 89.04 | 89.04 |
| Personnel cost as % of total for department | 95.67 | 81.95 | 91.80 | 89.98 | 91.15 | 91.15 | 93.33 | 93.29 | 93.67 |
| Part-time workers | | | | | | | | | |
| Personnel numbers (head count) | 11 | 10 | 8 | - | 1 | 1 | 1 | 1 | 1 |
| Personnel cost (R thousands) | 2 672 | 2 779 | 2 157 | - | 293 | 293 | 316 | 341 | 368 |
| Head count as % of total for department | 0.83 | 0.67 | 0.48 | - | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 |
| Personnel cost as % of total for department | 0.78 | 0.67 | 0.41 | - | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 |
| Contract workers | | | | | | | | | |
| Personnel numbers (head count) | 63 | 80 | 229 | 44 | 226 | 226 | 186 | 186 | 186 |
| Personnel cost (R thousands) | 12 201 | 71 525 | 40 746 | 60 153 | 50 370 | 50 370 | 42 212 | 46 118 | 46 692 |
| Head count as % of total for department | 4.73 | 5.40 | 13.80 | 2.46 | 13.58 | 13.58 | 10.84 | 10.90 | 10.90 |
| Personnel cost as % of total for department | 3.55 | 17.37 | 7.79 | 10.02 | 8.79 | 8.80 | 6.62 | 6.66 | 6.29 |

Contract workers are employed to manage various special projects such as the Small Town Rehabilitation programme, and they are appointed on a needs basis, hence the fluctuations.

The decrease over the MTEF against contract workers, compared to the 2014/15 Adjusted Appropriation, relates to the anticipation that most vacant posts will be filled, and the use of contract appointments will therefore be minimised. Also, part-time workers have decreased substantially from 2014/15 onward, as they are only utilised when the need arises.

The department aims to achieve the required capacity to support municipalities to meet their service delivery mandate and to create high levels of efficiency.

The departmental head count shows a steady increase from 2012/13 onward. The decrease in the 2014/15 Adjusted Appropriation relates to the internal moratorium on filling of non-critical vacant posts, as

previously explained. According to the department, the decrease in 2016/17 and 2017/18 can be attributed to staff that will be going on pension, and the anticipation is that those posts will not be filled in line with the moratorium on the filling of non-critical vacant posts.

7.2 Training

Tables 11.27 and 11.28 below reflect departmental training expenditure pertaining to the department per programme for the period under review.

The training budget is centralised under Programme 1 against the sub-programme: Corporate Services, which aims to facilitate the management of all training undertaken in the department and ensuring that training is obtained from accredited training institutions.

Table 11.27 : Payments on training by programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 882 | 1 783 | 1 300 | 1 835 | 1 568 | 1 628 | 2 600 | 2 700 | 2 800 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | 882 | 1 783 | 1 300 | 1 835 | 1 568 | 1 628 | 2 600 | 2 700 | 2 800 |
| Other | - | - | - | - | - | - | - | - | - |
| 2. Local Governance | - | - | - | - | - | - | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| 3. Development And Planning | - | - | - | - | - | - | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| 4. Traditional Institutional Management | - | - | - | - | - | - | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Total | 882 | 1 783 | 1 300 | 1 835 | 1 568 | 1 628 | 2 600 | 2 700 | 2 800 |

Expenditure on training was low in 2011/12 was due to the fact that the Human Capital Development component did not have the capacity to manage all the planned training for the year. The fluctuating trend is based on the training needs of staff during a particular period. The department will review the staff training needs on an annual basis.

Table 11.28 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

The number of personnel trained is higher than the number of staff, as indicated in Table 11.28. According to the department, the number of personnel trained includes interns and in-service learners (experiential learners), who come for practical experience in order to complete their qualifications.

Table 11.28 : Information on training: Co-operative Governance and Traditional Affairs

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Number of staff | 1 332 | 1 482 | 1 659 | 1 791 | 1 664 | 1 664 | 1 716 | 1 706 | 1 706 |
| Number of personnel trained | 629 | 685 | 901 | 685 | 685 | 1 656 | 1 722 | 1 722 | 1 722 |
| of which | | | | | | | | | |
| Male | 224 | 284 | 421 | 284 | 284 | 709 | 775 | 775 | 775 |
| Female | 405 | 401 | 480 | 401 | 401 | 947 | 947 | 947 | 947 |
| Number of training opportunities | 629 | 685 | 76 | 685 | 685 | 44 | 62 | 62 | 62 |
| of which | | | | | | | | | |
| Tertiary | - | - | 6 | - | - | 6 | 6 | 6 | 6 |
| Workshops | 31 | 46 | 14 | 46 | 46 | 14 | 14 | 14 | 14 |
| Seminars | 4 | 1 | 2 | 1 | 1 | 4 | 4 | 4 | 4 |
| Other | 594 | 638 | 54 | 638 | 638 | 20 | 38 | 38 | 38 |
| Number of bursaries offered | 101 | 80 | 163 | 80 | 80 | 66 | 66 | 66 | 66 |
| Number of interns appointed | 139 | 114 | 86 | 114 | 114 | 69 | 80 | 80 | 80 |
| Number of learnerships appointed | - | - | - | - | - | - | - | - | - |
| Number of days spent on training | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 |

ANNEXURE – VOTE 11: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Table 11.A : Details of departmental receipts: Co-operative Governance and Traditional Affairs

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 1 263 | 1 293 | 1 338 | 1 416 | 1 416 | 1 744 | 1 509 | 1 607 | 1 703 |
| Sale of goods and services produced by dept. (excl. capital assets) | 1 258 | 1 290 | 1 330 | 1 416 | 1 416 | 1 744 | 1 509 | 1 607 | 1 703 |
| Sales by market establishments | 1 258 | 1 290 | 1 330 | 1 416 | 1 416 | 1 744 | 1 509 | 1 607 | 1 703 |
| Sale of scrap, waste, arms and other used current goods (excl. capital assets) | 5 | 3 | 8 | - | - | - | - | - | - |
| Transfers received from: | - | - | - | - | - | - | - | - | - |
| Other governmental units | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments | - | - | - | - | - | - | - | - | - |
| International organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Households and non-profit institutions | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | 2 141 | 1 549 | 27 | 40 | 40 | 40 | 42 | 44 | 46 |
| Interest | 2 141 | 1 549 | 27 | 40 | 40 | 40 | 42 | 44 | 46 |
| Dividends | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | 2 863 | 900 | 900 | 2 643 | 1 200 | 880 | 1 100 |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Other capital assets | - | - | 2 863 | 900 | 900 | 2 643 | 1 200 | 880 | 1 100 |
| Transactions in financial assets and liabilities | 555 | 4 736 | 3 242 | 847 | 847 | 847 | 902 | 960 | 1 017 |
| Total | 3 959 | 7 578 | 7 470 | 3 203 | 3 203 | 5 274 | 3 653 | 3 491 | 3 866 |

Table 11.B : Payments and estimates by economic classification: Co-operative Governance and Traditional Affairs

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 712 234 | 799 663 | 931 321 | 1 087 152 | 1 054 772 | 1 052 371 | 1 182 013 | 1 344 334 | 1 420 292 |
| Compensation of employees | 343 521 | 411 741 | 523 274 | 600 466 | 572 769 | 572 226 | 637 229 | 692 651 | 742 862 |
| Salaries and wages | 303 256 | 365 628 | 467 289 | 533 533 | 512 730 | 512 187 | 569 476 | 617 954 | 663 288 |
| Social contributions | 40 265 | 46 113 | 55 985 | 66 933 | 60 039 | 60 039 | 67 753 | 74 697 | 79 574 |
| Goods and services | 368 713 | 387 922 | 408 047 | 486 686 | 482 003 | 480 145 | 544 784 | 651 683 | 677 430 |
| Administrative fees | 192 | 475 | 299 | 84 | 504 | 1 528 | 300 | 300 | 300 |
| Advertising | 11 655 | 9 997 | 12 635 | 3 731 | 9 773 | 9 772 | 9 758 | 11 891 | 13 998 |
| Assets less than the capitalisation threshold | 5 507 | 15 293 | 12 269 | 7 626 | 12 985 | 12 540 | 12 512 | 13 257 | 12 969 |
| Audit cost: External | 5 716 | 5 270 | 5 248 | 5 100 | 6 875 | 6 875 | 6 700 | 7 069 | 7 422 |
| Bursaries: Employees | 714 | 828 | 701 | 1 000 | 975 | 975 | 1 500 | 1 510 | 1 520 |
| Catering: Departmental activities | 2 282 | 17 430 | 6 392 | 6 380 | 8 218 | 8 480 | 6 044 | 6 167 | 6 162 |
| Communication (G&S) | 6 946 | 10 205 | 14 106 | 8 343 | 15 445 | 15 349 | 12 296 | 9 950 | 5 850 |
| Computer services | 14 453 | 19 594 | 21 718 | 20 802 | 28 596 | 28 596 | 28 101 | 29 230 | 21 877 |
| Cons & prof serv: Business and advisory services | 120 295 | 98 965 | 109 413 | 207 050 | 177 970 | 176 377 | 260 582 | 349 214 | 377 497 |
| Cons & prof serv: Infras and planning | - | 308 | 426 | - | 1 | 1 | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 7 292 | 5 732 | 7 336 | 4 800 | 6 730 | 6 730 | 6 100 | 6 154 | 6 684 |
| Contractors | 58 765 | 29 896 | 33 547 | 31 149 | 36 899 | 36 970 | 17 871 | 20 135 | 21 073 |
| Agency and support / outsourced services | 6 669 | 6 608 | 3 407 | 6 604 | 5 920 | 4 165 | 5 244 | 7 616 | 9 719 |
| Entertainment | 4 | 23 | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | 7 245 | 9 433 | 10 920 | 11 006 | 11 005 | 11 005 | 12 776 | 13 097 | 13 752 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 267 | 340 | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 44 | 2 | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 20 | 1 | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 129 | 165 | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | 154 | 273 | - | - | - | - | - | - | - |
| Medias inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | 4 583 | - | - | - | - | - | - | - |
| Consumable supplies | 1 057 | 946 | 2 049 | 2 491 | 3 502 | 3 535 | 2 737 | 2 985 | 3 106 |
| Consumable: Stationery, printing and office supplies | 8 049 | 8 835 | 8 224 | 9 030 | 8 432 | 8 539 | 8 439 | 8 768 | 9 342 |
| Operating leases | 18 792 | 25 919 | 23 766 | 28 649 | 29 194 | 29 453 | 27 549 | 28 975 | 30 484 |
| Property payments | 17 785 | 27 322 | 27 688 | 27 764 | 26 897 | 26 901 | 24 159 | 29 056 | 30 241 |
| Transport provided: Departmental activity | 387 | 108 | 36 | - | 610 | 610 | - | - | - |
| Travel and subsistence | 39 887 | 48 310 | 62 677 | 61 252 | 48 342 | 47 509 | 55 133 | 57 649 | 58 534 |
| Training and development | 882 | 1 783 | 1 300 | 1 835 | 1 568 | 1 628 | 2 600 | 2 700 | 2 800 |
| Operating payments | 29 176 | 33 633 | 40 264 | 39 673 | 39 268 | 39 333 | 40 920 | 40 470 | 40 584 |
| Venues and facilities | 4 349 | 5 451 | 3 333 | 2 317 | 2 291 | 3 240 | 3 190 | 5 210 | 3 230 |
| Rental and hiring | - | 194 | 293 | - | 3 | 34 | 273 | 280 | 286 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 357 371 | 456 986 | 246 873 | 180 112 | 317 966 | 325 078 | 87 969 | 12 547 | 5 277 |
| Provinces and municipalities | 348 281 | 444 587 | 232 228 | 156 057 | 249 312 | 256 312 | 61 856 | 5 001 | 202 |
| Provinces | 120 | 143 | 154 | 180 | 152 | 152 | 200 | 201 | 202 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 120 | 143 | 154 | 180 | 152 | 152 | 200 | 201 | 202 |
| Municipalities | 348 161 | 444 444 | 232 074 | 155 877 | 249 160 | 256 160 | 61 656 | 4 800 | - |
| Municipalities | 348 161 | 444 444 | 232 074 | 155 877 | 249 160 | 256 160 | 61 656 | 4 800 | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 1 700 | 1 000 | 1 278 | 20 651 | 20 651 | 20 651 | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 1 700 | 1 000 | 1 278 | 20 651 | 20 651 | 20 651 | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | 558 | - | - | 33 254 | 33 254 | 12 100 | - | - |
| Public corporations | - | - | - | - | 33 000 | 33 000 | 12 100 | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | 33 000 | 33 000 | 12 100 | - | - |
| Private enterprises | - | 558 | - | - | 254 | 254 | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | 558 | - | - | 254 | 254 | - | - | - |
| Non-profit institutions | - | 100 | - | - | - | - | - | - | - |
| Households | 7 390 | 10 741 | 13 367 | 3 404 | 14 749 | 14 861 | 14 013 | 7 546 | 5 075 |
| Social benefits | 5 001 | 6 782 | 6 158 | 3 404 | 7 403 | 7 515 | 4 448 | 3 813 | 3 576 |
| Other transfers to households | 2 389 | 3 959 | 7 209 | - | 7 346 | 7 346 | 9 565 | 3 733 | 1 499 |
| Payments for capital assets | 36 569 | 57 757 | 64 276 | 80 812 | 113 956 | 109 201 | 98 061 | 80 039 | 83 197 |
| Buildings and other fixed structures | 22 625 | 24 225 | 39 069 | 59 903 | 85 152 | 80 152 | 78 231 | 63 596 | 68 374 |
| Buildings | 22 625 | 24 225 | 39 069 | 59 903 | 85 152 | 80 152 | 78 231 | 63 596 | 68 374 |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 13 914 | 29 188 | 21 104 | 18 209 | 26 008 | 26 253 | 17 130 | 13 743 | 14 623 |
| Transport equipment | 4 724 | 8 949 | 8 643 | 6 500 | 12 863 | 12 863 | 5 796 | 4 177 | 6 521 |
| Other machinery and equipment | 9 190 | 20 239 | 12 461 | 11 709 | 13 145 | 13 390 | 11 334 | 9 566 | 8 102 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 30 | 4 344 | 4 103 | 2 700 | 2 796 | 2 796 | 2 700 | 2 700 | 200 |
| Payments for financial assets | 175 | 144 | 26 | - | - | 44 | - | - | - |
| Total | 1 106 349 | 1 314 550 | 1 242 496 | 1 348 076 | 1 486 694 | 1 486 694 | 1 368 043 | 1 436 920 | 1 508 766 |

Table 11.C : Payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 241 529 | 280 275 | 291 652 | 300 224 | 317 244 | 316 977 | 329 540 | 356 433 | 366 209 |
| Compensation of employees | 92 587 | 124 758 | 141 556 | 155 576 | 154 806 | 154 562 | 170 144 | 186 317 | 200 600 |
| Salaries and wages | 81 440 | 111 144 | 126 221 | 137 660 | 139 480 | 139 236 | 152 110 | 166 985 | 179 758 |
| Social contributions | 11 147 | 13 614 | 15 335 | 17 916 | 15 326 | 15 326 | 18 034 | 19 332 | 20 842 |
| Goods and services | 148 942 | 155 517 | 150 096 | 144 648 | 162 438 | 162 415 | 159 396 | 170 116 | 165 609 |
| Administrative fees | - | 20 | 121 | - | 236 | 337 | - | - | - |
| Advertising | 9 268 | 8 944 | 12 300 | 3 464 | 4 884 | 4 824 | 9 544 | 11 662 | 13 761 |
| Assets less than the capitalisation threshold | 787 | 1 355 | 973 | 763 | 1 045 | 1 045 | 332 | 158 | 175 |
| Audit cost: External | 5 716 | 5 270 | 5 248 | 5 100 | 6 788 | 6 788 | 6 700 | 7 069 | 7 422 |
| Bursaries: Employees | 714 | 828 | 701 | 1 000 | 975 | 975 | 1 500 | 1 510 | 1 520 |
| Catering: Departmental activities | 332 | 296 | 413 | 215 | 838 | 839 | 652 | 655 | 658 |
| Communication (G&S) | 4 436 | 4 483 | 5 872 | 5 009 | 6 264 | 6 264 | 5 374 | 5 617 | 2 469 |
| Computer services | 14 247 | 19 251 | 19 161 | 20 802 | 28 596 | 28 596 | 26 201 | 27 230 | 19 727 |
| Cons & prof serv: Business and advisory services | 25 912 | 11 905 | 6 856 | 5 694 | 6 042 | 6 042 | 10 260 | 8 213 | 7 116 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 6 284 | 5 413 | 6 104 | 3 800 | 5 418 | 5 418 | 5 100 | 5 154 | 5 684 |
| Contractors | 25 351 | 16 054 | 11 810 | 16 340 | 15 986 | 15 991 | 8 901 | 10 595 | 11 468 |
| Agency and support / outsourced services | 824 | 658 | 447 | 96 | 537 | 542 | 152 | 161 | 170 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | 7 245 | 9 433 | 10 916 | 11 006 | 11 005 | 11 005 | 12 776 | 13 097 | 13 752 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 131 | 157 | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 1 | 2 | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 13 | 1 | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 82 | 92 | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | 154 | 273 | - | - | - | - | - | - | - |
| Medcas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 513 | 598 | 1 291 | 1 461 | 1 521 | 1 521 | 1 714 | 1 826 | 1 907 |
| Consumable: Stationery, printing and office supplies | 6 219 | 6 407 | 6 520 | 5 784 | 6 927 | 6 927 | 6 015 | 6 293 | 6 756 |
| Operating leases | 11 219 | 22 786 | 20 422 | 24 039 | 24 720 | 24 720 | 22 690 | 23 835 | 25 067 |
| Property payments | 14 677 | 26 430 | 27 414 | 27 419 | 26 497 | 26 497 | 23 665 | 28 539 | 29 701 |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 12 278 | 11 265 | 11 154 | 10 103 | 11 590 | 11 386 | 14 156 | 14 906 | 14 542 |
| Training and development | 882 | 1 775 | 1 300 | 1 835 | 1 568 | 1 568 | 2 600 | 2 700 | 2 800 |
| Operating payments | 1 607 | 1 193 | 521 | 454 | 973 | 973 | 414 | 225 | 222 |
| Venues and facilities | 50 | 612 | 264 | 264 | 28 | 125 | 380 | 395 | 410 |
| Rental and hiring | - | 16 | 288 | - | - | 32 | 270 | 276 | 282 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 6 658 | 8 839 | 11 853 | 4 615 | 14 211 | 14 211 | 12 649 | 6 518 | 4 235 |
| Provinces and municipalities | 120 | 143 | 154 | 180 | 152 | 152 | 200 | 201 | 202 |
| Provinces | 120 | 143 | 154 | 180 | 152 | 152 | 200 | 201 | 202 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 120 | 143 | 154 | 180 | 152 | 152 | 200 | 201 | 202 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | 1 278 | 1 801 | 1 801 | 1 801 | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | 1 278 | 1 801 | 1 801 | 1 801 | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 6 538 | 8 696 | 10 421 | 2 634 | 12 258 | 12 258 | 12 449 | 6 317 | 4 033 |
| Social benefits | 4 149 | 4 748 | 3 212 | 2 634 | 4 951 | 4 951 | 2 884 | 2 584 | 2 534 |
| Other transfers to households | 2 389 | 3 948 | 7 209 | - | 7 307 | 7 307 | 9 565 | 3 733 | 1 499 |
| Payments for capital assets | 7 200 | 22 351 | 15 365 | 13 166 | 22 013 | 22 257 | 10 205 | 7 974 | 7 082 |
| Buildings and other fixed structures | - | - | - | 4 000 | 4 000 | 4 000 | - | - | - |
| Buildings | - | - | - | 4 000 | 4 000 | 4 000 | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 7 170 | 18 007 | 11 415 | 9 166 | 15 217 | 15 461 | 7 705 | 5 474 | 7 082 |
| Transport equipment | 4 724 | 8 949 | 8 643 | 6 500 | 12 863 | 12 863 | 5 796 | 4 177 | 6 521 |
| Other machinery and equipment | 2 446 | 9 058 | 2 772 | 2 666 | 2 354 | 2 598 | 1 909 | 1 297 | 561 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 30 | 4 344 | 3 950 | - | 2 796 | 2 796 | 2 500 | 2 500 | - |
| Payments for financial assets | 104 | 32 | 10 | - | - | 23 | - | - | - |
| Total | 255 491 | 311 497 | 318 880 | 318 005 | 353 468 | 353 468 | 352 394 | 370 925 | 377 526 |

Table 11.D : Payments and estimates by economic classification: Local Governance

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|----------------|----------------|----------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 134 790 | 165 391 | 217 138 | 207 419 | 212 485 | 212 485 | 223 844 | 238 242 | 250 532 |
| Compensation of employees | 102 203 | 111 694 | 148 830 | 157 007 | 162 453 | 162 273 | 173 803 | 186 012 | 199 180 |
| Salaries and wages | 86 314 | 94 675 | 127 451 | 134 556 | 138 976 | 138 796 | 149 227 | 160 268 | 172 159 |
| Social contributions | 15 889 | 17 019 | 21 379 | 22 451 | 23 477 | 23 477 | 24 576 | 25 744 | 27 021 |
| Goods and services | 32 587 | 53 697 | 68 308 | 50 412 | 50 032 | 50 212 | 50 041 | 52 230 | 51 352 |
| Administrative fees | - | - | 12 | - | - | 76 | - | - | - |
| Advertising | 282 | 430 | 22 | 162 | 172 | 206 | 132 | 139 | 147 |
| Assets less than the capitalisation threshold | 183 | 455 | 342 | 176 | 488 | 542 | 195 | 192 | 204 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 735 | 14 736 | 1 641 | 128 | 482 | 565 | 195 | 207 | 219 |
| Communication (G&S) | 810 | 3 231 | 6 164 | 269 | 6 044 | 5 849 | 3 921 | 1 339 | 355 |
| Computer services | 1 | 72 | 28 | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | 15 146 | 19 414 | 34 504 | 34 837 | 31 917 | 31 997 | 30 758 | 34 708 | 33 992 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 490 | 66 | 505 | 57 | 83 | 116 | 57 | 61 | 63 |
| Agency and support / outsourced services | 3 607 | 3 042 | 2 373 | 1 508 | 2 383 | 2 123 | 1 592 | 1 680 | 1 764 |
| Entertainment | 2 | 1 | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | 4 | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 15 | 35 | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 7 | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 12 | 14 | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | 184 | 260 | 318 | 273 | 289 | 281 | 296 | 312 |
| Consumable: Stationery, printing and office supplies | 554 | 1 139 | 573 | 851 | 396 | 478 | 819 | 874 | 936 |
| Operating leases | 463 | 694 | 831 | 675 | 933 | 972 | 904 | 951 | 1 003 |
| Property payments | - | - | 13 | - | 2 | 2 | 15 | 16 | 17 |
| Transport provided: Departmental activity | 375 | 108 | - | - | - | - | - | - | - |
| Travel and subsistence | 6 315 | 7 809 | 17 354 | 8 907 | 6 339 | 6 428 | 10 045 | 10 616 | 11 176 |
| Training and development | - | 8 | - | - | - | - | - | - | - |
| Operating payments | 1 525 | 520 | 841 | 751 | 334 | 348 | 527 | 551 | 564 |
| Venues and facilities | 2 065 | 1 739 | 2 841 | 1 773 | 186 | 221 | 600 | 600 | 600 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 31 348 | 15 401 | 4 307 | 450 | 6 707 | 6 707 | 464 | 479 | 492 |
| Provinces and municipalities | 30 920 | 14 160 | 3 500 | - | 6 000 | 6 000 | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | 30 920 | 14 160 | 3 500 | - | 6 000 | 6 000 | - | - | - |
| Municipalities | 30 920 | 14 160 | 3 500 | - | 6 000 | 6 000 | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | 158 | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | 158 | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | 158 | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 428 | 1 083 | 807 | 450 | 707 | 707 | 464 | 479 | 492 |
| Social benefits | 428 | 1 072 | 807 | 450 | 707 | 707 | 464 | 479 | 492 |
| Other transfers to households | - | 11 | - | - | - | - | - | - | - |
| Payments for capital assets | 573 | 1 240 | 1 282 | 922 | 848 | 848 | 852 | 887 | 923 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 573 | 1 240 | 1 282 | 922 | 848 | 848 | 852 | 887 | 923 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 573 | 1 240 | 1 282 | 922 | 848 | 848 | 852 | 887 | 923 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 5 | 57 | 12 | - | - | - | - | - | - |
| Total | 166 716 | 182 089 | 222 739 | 208 791 | 220 040 | 220 040 | 225 160 | 239 608 | 251 947 |

Table 11.E : Payments and estimates by economic classification: Development and Planning

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 135 632 | 159 896 | 183 689 | 296 970 | 280 189 | 278 134 | 381 941 | 490 122 | 529 392 |
| Compensation of employees | 48 022 | 57 960 | 94 545 | 119 116 | 104 661 | 104 621 | 127 543 | 143 452 | 153 978 |
| Salaries and wages | 42 765 | 51 687 | 86 162 | 106 659 | 95 446 | 95 406 | 115 819 | 127 953 | 137 325 |
| Social contributions | 5 257 | 6 273 | 8 383 | 12 457 | 9 215 | 9 215 | 11 724 | 15 499 | 16 653 |
| Goods and services | 87 610 | 101 936 | 89 144 | 177 854 | 175 528 | 173 513 | 254 398 | 346 670 | 375 414 |
| Administrative fees | 191 | 455 | 166 | 84 | 268 | 483 | 300 | 300 | 300 |
| Advertising | 418 | 279 | 313 | 105 | 4 717 | 4 742 | 82 | 90 | 90 |
| Assets less than the capitalisation threshold | 4 032 | 11 765 | 8 568 | 5 517 | 10 054 | 9 555 | 11 542 | 12 467 | 12 516 |
| Audit cost: External | - | - | - | - | 87 | 87 | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 261 | 622 | 1 230 | 787 | 1 283 | 1 461 | 969 | 1 013 | 1 100 |
| Communication (G&S) | 289 | 357 | 375 | 277 | 555 | 637 | 519 | 452 | 471 |
| Computer services | 176 | 266 | 1 554 | - | - | - | 1 900 | 2 000 | 2 150 |
| Cons & prof serv: Business and advisory services | 63 301 | 66 157 | 52 959 | 149 955 | 129 931 | 128 258 | 213 085 | 299 640 | 326 938 |
| Cons & prof serv: Infras and planning | - | - | 233 | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 4 716 | 755 | 8 960 | 70 | 7 048 | 7 081 | 85 | 90 | 22 |
| Agency and support / outsourced services | 2 025 | 2 908 | 587 | 5 000 | 3 000 | 1 500 | 3 500 | 5 775 | 7 785 |
| Entertainment | 2 | 22 | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 56 | 54 | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 43 | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 12 | 13 | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | 4 583 | - | - | - | - | - | - | - |
| Consumable supplies | 224 | - | 235 | 221 | 1 189 | 1 206 | 367 | 387 | 411 |
| Consumable: Stationery, printing and office supplies | 791 | 720 | 587 | 794 | 694 | 719 | 791 | 765 | 803 |
| Operating leases | 832 | 784 | 878 | 1 210 | 1 227 | 1 447 | 1 699 | 1 792 | 1 876 |
| Property payments | 366 | 773 | 244 | 312 | 300 | 303 | 333 | 354 | 375 |
| Transport provided: Departmental activity | 12 | - | 36 | - | 610 | 610 | - | - | - |
| Travel and subsistence | 6 387 | 7 798 | 11 536 | 12 876 | 12 095 | 12 501 | 15 099 | 15 713 | 16 651 |
| Training and development | - | - | - | - | - | 60 | - | - | - |
| Operating payments | 2 069 | 1 086 | 789 | 386 | 442 | 457 | 1 917 | 1 617 | 1 706 |
| Venues and facilities | 1 407 | 2 539 | (106) | 260 | 2 028 | 2 406 | 2 210 | 4 215 | 2 220 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 313 691 | 431 707 | 229 425 | 174 847 | 295 264 | 302 318 | 73 756 | 5 000 | - |
| Provinces and municipalities | 311 991 | 430 284 | 228 574 | 155 877 | 243 160 | 250 160 | 61 656 | 4 800 | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | 311 991 | 430 284 | 228 574 | 155 877 | 243 160 | 250 160 | 61 656 | 4 800 | - |
| Municipalities | 311 991 | 430 284 | 228 574 | 155 877 | 243 160 | 250 160 | 61 656 | 4 800 | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 1 700 | 1 000 | - | 18 850 | 18 850 | 18 850 | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 1 700 | 1 000 | - | 18 850 | 18 850 | 18 850 | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | 400 | - | - | 33 254 | 33 254 | 12 100 | - | - |
| Public corporations | - | - | - | - | 33 000 | 33 000 | 12 100 | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | 33 000 | 33 000 | 12 100 | - | - |
| Private enterprises | - | 400 | - | - | 254 | 254 | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | 400 | - | - | 254 | 254 | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | 23 | 851 | 120 | - | 54 | - | 200 | - |
| Social benefits | - | 23 | 851 | 120 | - | 54 | - | 200 | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 1 871 | 22 616 | 17 774 | 53 804 | 80 984 | 75 985 | 78 901 | 62 101 | 65 192 |
| Buildings and other fixed structures | 475 | 15 230 | 12 899 | 48 903 | 74 152 | 69 152 | 71 231 | 55 596 | 58 374 |
| Buildings | 475 | 15 230 | 12 899 | 48 903 | 74 152 | 69 152 | 71 231 | 55 596 | 58 374 |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 1 396 | 7 386 | 4 722 | 4 701 | 6 832 | 6 833 | 7 470 | 6 305 | 6 618 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 1 396 | 7 386 | 4 722 | 4 701 | 6 832 | 6 833 | 7 470 | 6 305 | 6 618 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | 153 | 200 | - | - | 200 | 200 | 200 |
| Payments for financial assets | - | 7 | 3 | - | - | - | - | - | - |
| Total | 451 194 | 614 226 | 430 891 | 525 621 | 656 437 | 656 437 | 534 598 | 557 223 | 594 584 |

Table 11.F : Payments and estimates by economic classification: Traditional Institutional Management

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|----------------|----------------|----------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 200 283 | 194 101 | 238 842 | 282 539 | 244 854 | 244 775 | 246 688 | 259 537 | 274 159 |
| Compensation of employees | 100 709 | 117 329 | 138 343 | 168 767 | 150 849 | 150 770 | 165 739 | 176 870 | 189 104 |
| Salaries and wages | 92 737 | 108 122 | 127 455 | 154 658 | 138 828 | 138 749 | 152 320 | 162 748 | 174 046 |
| Social contributions | 7 972 | 9 207 | 10 888 | 14 109 | 12 021 | 12 021 | 13 419 | 14 122 | 15 058 |
| Goods and services | 99 574 | 76 772 | 100 499 | 113 772 | 94 005 | 94 005 | 80 949 | 82 667 | 85 055 |
| Administrative fees | 1 | - | - | - | - | 632 | - | - | - |
| Advertising | 1 687 | 344 | - | - | - | - | - | - | - |
| Assets less than the capitalisation threshold | 505 | 1 718 | 2 386 | 1 170 | 1 398 | 1 398 | 443 | 440 | 74 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 954 | 1 776 | 3 108 | 5 250 | 5 615 | 5 615 | 4 228 | 4 292 | 4 185 |
| Communication (G&S) | 1 411 | 2 134 | 1 695 | 2 788 | 2 582 | 2 599 | 2 482 | 2 542 | 2 555 |
| Computer services | 29 | 5 | 975 | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | 15 936 | 1 489 | 15 094 | 16 564 | 10 080 | 10 080 | 6 479 | 6 653 | 9 451 |
| Cons & prof serv: Infras and planning | - | 308 | 193 | - | 1 | 1 | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 1 008 | 319 | 1 232 | 1 000 | 1 312 | 1 312 | 1 000 | 1 000 | 1 000 |
| Contractors | 28 208 | 13 021 | 12 272 | 14 682 | 13 782 | 13 782 | 8 828 | 9 389 | 9 520 |
| Agency and support / outsourced services | 213 | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 65 | 94 | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 23 | 46 | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medias inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 320 | 164 | 263 | 491 | 519 | 519 | 375 | 476 | 476 |
| Consumable: Stationery, printing and office supplies | 485 | 569 | 544 | 1 601 | 415 | 415 | 814 | 836 | 847 |
| Operating leases | 6 278 | 1 655 | 1 635 | 2 725 | 2 314 | 2 314 | 2 256 | 2 397 | 2 538 |
| Property payments | 2 742 | 119 | 17 | 33 | 98 | 99 | 146 | 147 | 148 |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 14 907 | 21 438 | 22 633 | 29 366 | 18 318 | 17 194 | 15 833 | 16 414 | 16 165 |
| Training and development | - | - | - | - | - | - | - | - | - |
| Operating payments | 23 975 | 30 834 | 38 113 | 38 082 | 37 519 | 37 555 | 38 062 | 38 077 | 38 092 |
| Venues and facilities | 827 | 561 | 334 | 20 | 49 | 488 | - | - | - |
| Rental and hiring | - | 178 | 5 | - | 3 | 2 | 3 | 4 | 4 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 5 674 | 1 039 | 1 288 | 200 | 1 784 | 1 842 | 1 100 | 550 | 550 |
| Provinces and municipalities | 5 250 | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | 5 250 | - | - | - | - | - | - | - | - |
| Municipalities | 5 250 | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | 100 | - | - | - | - | - | - | - |
| Households | 424 | 939 | 1 288 | 200 | 1 784 | 1 842 | 1 100 | 550 | 550 |
| Social benefits | 424 | 939 | 1 288 | 200 | 1 745 | 1 803 | 1 100 | 550 | 550 |
| Other transfers to households | - | - | - | - | 39 | 39 | - | - | - |
| Payments for capital assets | 26 925 | 11 550 | 29 855 | 12 920 | 10 111 | 10 111 | 8 103 | 9 077 | 10 000 |
| Buildings and other fixed structures | 22 150 | 8 995 | 26 170 | 7 000 | 7 000 | 7 000 | 7 000 | 8 000 | 10 000 |
| Buildings | 22 150 | 8 995 | 26 170 | 7 000 | 7 000 | 7 000 | 7 000 | 8 000 | 10 000 |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 4 775 | 2 555 | 3 685 | 3 420 | 3 111 | 3 111 | 1 103 | 1 077 | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 4 775 | 2 555 | 3 685 | 3 420 | 3 111 | 3 111 | 1 103 | 1 077 | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | 2 500 | - | - | - | - | - |
| Payments for financial assets | 66 | 48 | 1 | - | - | 21 | - | - | - |
| Total | 232 948 | 206 738 | 269 986 | 295 659 | 256 749 | 256 749 | 255 891 | 269 164 | 284 709 |

Table 11.G : Payments and estimates by economic classification: Conditional grants (EPWP Integrated Grant for Provinces)

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|---------|---------|---------------|---------------|----------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | - | - | 3 471 | 3 471 | 3 471 | 4 119 | - | - |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Salaries and wages | - | - | - | - | - | - | - | - | - |
| Social contributions | - | - | - | - | - | - | - | - | - |
| Goods and services | - | - | - | 3 471 | 3 471 | 3 471 | 4 119 | - | - |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | - | - | - | - | - | - | - | - | - |
| Assets less than the capitalisation threshold | - | - | - | - | - | - | - | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | - | - | - | - | - | - | - | - |
| Communication (G&S) | - | - | - | - | - | - | - | - | - |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | - | - | - | 3 471 | 3 471 | 3 471 | 4 119 | - | - |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | - | - | - | - | - | - | - | - | - |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | - | - | - | - | - | - | - |
| Consumable: Stationery, printing and office supplies | - | - | - | - | - | - | - | - | - |
| Operating leases | - | - | - | - | - | - | - | - | - |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | - | - | - | - | - | - | - | - | - |
| Training and development | - | - | - | - | - | - | - | - | - |
| Operating payments | - | - | - | - | - | - | - | - | - |
| Venues and facilities | - | - | - | - | - | - | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | - | - | - | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | 3 471 | 3 471 | 3 471 | 4 119 | - | - |

Table 11.H : Co-operative and Traditional Affairs - Payments of infrastructure by category

| Table 11.11 : Co-operative and municipalities - Payments of infrastructure by category | | | | | | | | | | | | | |
|--|-----------------------|--|-------|-------------------|-------------------|-------------------|-----------------------|-------------------------------------|--------------------|---|-----------------|------------------------|---------|
| Project name | Municipality / Region | Type of infrastructure | | Project duration | | Source of funding | Budget programme name | Targeted number of jobs for 2015/16 | Total project cost | Expenditure to date from previous years | Total available | MTEF Forward estimates | |
| | | School - primary/ secondary/ specialised; admin block; water; electricity; sanitation/toilet; fencing etc. | Units | Date: Start | Date: Finish | | | | | | | 2015/16 | 2016/17 |
| R thousands | | | | | | | | | | | | | |
| Existing infrastructure assets | | | | | | | | | | | | | |
| <i>of which:</i> | | | | | | | | | | | | | |
| Maintenance and repair: Current | | | | | | | | 255 | 34 847 | - | 11 431 | 21 596 | 22 674 |
| Upgrades and additions: Capital | | | | | | | | - | - | - | - | - | - |
| Refurbishment and rehabilitation: Capital | | | | | | | | - | - | - | - | - | - |
| Rehabilitation of TACs/LED | Various | Grade 2 CSC | 14 | 31 August 2014 | 31 March 2018 | Equitable share | Programme 4 | 255 | 34 847 | - | 11 431 | 21 596 | 22 674 |
| New infrastructure assets: Capital | | | | | | | | | | | | | |
| <i>of which:</i> | | | | | | | | | | | | | |
| Imizi Yesizwe | Various | Houses for Amakhosi | - | 01 August 2007 | Ongoing | Equitable share | Programme 4 | 279 | 108 000 | 62 017 | 66 800 | 42 000 | 45 700 |
| Construction of PDMC | Various | PDMC | 1 | 16 April 2013 | 15 October 2015 | Equitable share | Programme 3 | 55 | 37 000 | 5 104 | 7 000 | 8 000 | 10 000 |
| New Community Service Centres/LED | Various | Grade 2 CSC | 3 | 30 April 2015 | 30 April 2017 | Equitable share | Programme 3 | 75 | 18 000 | - | 28 000 | 34 000 | - |
| New Community Service Centres/LED | Various | Grade 1 CSC | 1 | 30 September 2015 | 30 September 2017 | Equitable share | Programme 3 | 37 | 17 000 | - | 5 500 | - | 25 016 |
| New Community Service Centres/LED | Various | Grade 2 CSC | 3 | 30 April 2017 | 30 April 2018 | Equitable share | Programme 3 | 75 | 19 000 | - | - | - | 4 984 |
| New Community Service Centres/LED | Various | Grade 1 CSC | 1 | 30 September 2017 | 30 September 2018 | Equitable share | Programme 3 | 37 | 17 000 | - | - | - | 5 700 |
| Infrastructure transfers | | | | | | | | | | | | | |
| <i>of which:</i> | | | | | | | | | | | | | |
| Infrastructure transfers: Current | | | | | | | | - | - | - | - | - | - |
| Infrastructure transfers: Capital | | | | | | | | - | - | - | - | - | - |
| Infrastructure: Payments for financial assets | | | | | | | | | | | | | |
| Infrastructure: Leases | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | |
| Capital infrastructure | | | | | | | | 534 | 142 847 | 62 017 | 78 231 | 63 596 | 68 374 |
| Current infrastructure | | | | | | | | 534 | 142 847 | 62 017 | 78 231 | 63 596 | 68 374 |
| | | | | | | | | - | - | - | - | - | - |

Table 11.1 : Summary of transfers to local government

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|--------------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | 6 925 | - | 4 000 | 1 000 | 1 000 | 1 000 | - | - | - |
| Total: Ugu Municipalities | 22 585 | 28 630 | 29 131 | 13 810 | 15 810 | 15 810 | 16 250 | 400 | - |
| B KZN211 Vulamehlo | 900 | - | - | - | - | - | 8 000 | - | - |
| B KZN212 Umdoni | 9 080 | 1 000 | - | - | - | - | - | - | - |
| B KZN213 Umzumbi | 1 000 | - | - | 500 | 4 500 | 4 500 | 8 000 | - | - |
| B KZN214 uMuziwabantu | 1 000 | 5 000 | 7 200 | - | - | - | - | - | - |
| B KZN215 Ezinqoleni | - | 200 | - | - | 1 000 | 1 000 | - | - | - |
| B KZN216 Hibiscus Coast | 1 000 | 9 000 | - | - | 6 000 | 6 000 | - | - | - |
| C DC21 Ugu District Municipality | 9 605 | 13 430 | 21 931 | 13 310 | 4 310 | 4 310 | 250 | 400 | - |
| Total: uMgungundlovu Municipalities | 37 527 | 71 611 | 76 221 | 33 631 | 34 214 | 34 214 | 250 | 400 | - |
| B KZN221 uMshwathi | - | - | - | - | - | - | - | - | - |
| B KZN222 uMngeni | - | 5 500 | 15 000 | - | 15 583 | 15 583 | - | - | - |
| B KZN223 Mpofana | 900 | 600 | - | - | - | - | - | - | - |
| B KZN224 Impendle | 11 300 | 5 400 | 9 825 | - | - | - | - | - | - |
| B KZN225 Msunduzi | 300 | 34 000 | 17 500 | 4 277 | 12 277 | 12 277 | - | - | - |
| B KZN226 Mkhambathini | - | - | - | - | - | - | - | - | - |
| B KZN227 Richmond | - | 2 200 | 9 000 | - | - | - | - | - | - |
| C DC22 uMgungundlovu District Municipality | 25 027 | 23 911 | 24 896 | 29 354 | 6 354 | 6 354 | 250 | 400 | - |
| Total: Uthukela Municipalities | 50 447 | 65 334 | 20 400 | 5 850 | 16 115 | 16 115 | 250 | 1 200 | - |
| B KZN232 Emnambithi/Ladysmith | 18 000 | 15 500 | 9 200 | - | - | - | - | - | - |
| B KZN233 Indaka | - | - | - | - | - | - | - | - | - |
| B KZN234 Umtshezi | 7 220 | 9 200 | 6 000 | - | 3 000 | 3 000 | - | - | - |
| B KZN235 Okhahlamba | 1 167 | 10 900 | 5 000 | - | 12 865 | 12 865 | - | - | - |
| B KZN236 Imbabazane | - | - | 200 | - | - | - | - | - | - |
| C DC23 Uthukela District Municipality | 24 060 | 29 734 | - | 5 850 | 250 | 250 | 250 | 1 200 | - |
| Total: Umzinyathi Municipalities | 22 533 | 20 605 | 3 200 | 7 050 | 14 935 | 14 935 | 16 250 | 400 | - |
| B KZN241 Endumeni | - | - | - | - | - | - | - | - | - |
| B KZN242 Nqutu | 6 167 | 3 000 | 3 200 | - | 3 970 | 3 970 | 8 000 | - | - |
| B KZN244 Msinga | 2 667 | 200 | - | - | - | - | - | - | - |
| B KZN245 Umvoti | 1 167 | 1 000 | - | - | 5 215 | 5 215 | 8 000 | - | - |
| C DC24 Umzinyathi District Municipality | 12 532 | 16 405 | - | 7 050 | 5 750 | 5 750 | 250 | 400 | - |
| Total: Amajuba Municipalities | 11 550 | 51 365 | 1 200 | 11 000 | 39 000 | 39 000 | 250 | 400 | - |
| B KZN252 Newcastle | 9 920 | 8 446 | 1 000 | - | 5 000 | 5 000 | - | - | - |
| B KZN253 eMadlangeni | - | - | 200 | - | - | - | - | - | - |
| B KZN254 Dannhauser | - | 25 575 | - | - | 33 000 | 33 000 | - | - | - |
| C DC25 Amajuba District Municipality | 1 630 | 17 344 | - | 11 000 | 1 000 | 1 000 | 250 | 400 | - |
| Total: Zululand Municipalities | 37 020 | 50 021 | 14 700 | 6 850 | 21 350 | 22 350 | 250 | 400 | - |
| B KZN261 eDumbe | - | 200 | - | - | 7 000 | 7 000 | - | - | - |
| B KZN262 uPhongolo | 3 600 | 12 100 | 3 200 | - | 5 000 | 5 000 | - | - | - |
| B KZN263 Abaqulusi | 9 600 | 17 590 | 11 500 | 1 600 | 9 100 | 9 100 | - | - | - |
| B KZN265 Nongoma | - | 1 000 | - | - | - | - | - | - | - |
| B KZN266 Ulundi | 750 | - | - | - | - | 1 000 | - | - | - |
| C DC26 Zululand District Municipality | 23 070 | 19 131 | - | 5 250 | 250 | 250 | 250 | 400 | - |
| Total: Umkhanyakude Municipalities | 20 405 | 32 167 | 1 200 | 250 | 250 | 1 250 | 1 100 | 400 | - |
| B KZN271 Umhlabuyalingana | 1 000 | 200 | - | - | - | - | - | - | - |
| B KZN272 Jozini | - | 4 500 | - | - | - | - | - | - | - |
| B KZN273 The Big 5 False Bay | - | - | 200 | - | - | - | - | - | - |
| B KZN274 Hlabisa | 1 000 | - | - | - | - | - | - | - | - |
| B KZN275 Mtubatuba | - | - | - | - | - | - | - | - | - |
| C DC27 Umkhanyakude District Municipality | 18 405 | 27 467 | 1 000 | 250 | 250 | 1 250 | 1 100 | 400 | - |
| Total: uThungulu Municipalities | 37 263 | 35 800 | 34 950 | 37 055 | 14 355 | 14 355 | 250 | 400 | - |
| B KZN281 Umfolozi | 4 250 | 1 800 | 1 000 | 4 855 | 4 855 | 4 855 | - | - | - |
| B KZN282 uMhlathuze | - | 9 500 | 10 000 | 21 000 | 7 000 | 7 000 | - | - | - |
| B KZN283 Ntambanana | 1 167 | 3 000 | 2 000 | - | - | - | - | - | - |
| B KZN284 uMlalazi | 500 | - | 200 | - | - | - | - | - | - |
| B KZN285 Mthonjaneni | 14 000 | 12 600 | - | 500 | 500 | 500 | - | - | - |
| B KZN286 Nkandla | 7 500 | - | - | - | - | - | - | - | - |
| C DC28 uThungulu District Municipality | 9 846 | 8 900 | 21 750 | 10 700 | 2 000 | 2 000 | 250 | 400 | - |
| Total: Ilembe Municipalities | 36 170 | 37 841 | 11 529 | 28 131 | 40 131 | 40 131 | 8 250 | 400 | - |
| B KZN291 Mandeni | - | 3 000 | 11 029 | 500 | 500 | 500 | 8 000 | - | - |
| B KZN292 KwaDukuza | 1 665 | 11 000 | - | - | 8 000 | 8 000 | - | - | - |
| B KZN293 Ndwedwe | 2 000 | 4 600 | - | 7 000 | 17 700 | 17 700 | - | - | - |
| B KZN294 Maphumulo | 13 000 | 200 | - | - | 3 000 | 3 000 | - | - | - |
| C DC29 Ilembe District Municipality | 19 505 | 19 041 | 500 | 20 631 | 10 931 | 10 931 | 250 | 400 | - |
| Total: Harry Gwala Municipalities | 65 736 | 51 070 | 35 543 | 11 250 | 52 000 | 57 000 | 18 556 | 400 | - |
| B KZN431 Ingwe | 10 000 | - | - | - | 1 000 | 6 000 | 7 500 | - | - |
| B KZN432 Kwa Sani | 9 930 | - | - | - | - | - | - | - | - |
| B KZN433 Matatiele | - | - | - | - | - | - | - | - | - |
| B KZN433 Greater Kokstad | 6 200 | 1 200 | 8 000 | - | 8 000 | 8 000 | - | - | - |
| B KZN434 Ubuhlebezwe | 6 720 | 16 400 | 12 643 | - | 30 250 | 30 250 | 9 956 | - | - |
| B KZN435 Umzimkulu | 4 350 | 8 870 | 11 900 | - | 12 500 | 12 500 | - | - | - |
| C DC43 Harry Gwala District Municipality | 28 536 | 24 600 | 3 000 | 11 250 | 250 | 250 | 1 100 | 400 | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | 348 161 | 444 444 | 232 074 | 155 877 | 249 160 | 256 160 | 61 656 | 4 800 | - |

Table 11.J : Transfers to local government - Massification programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|---------------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | 7 850 | 11 700 | 15 931 | 4 060 | 4 060 | 4 060 | 16 000 | - | - |
| B KZN211 Vulamehlo | - | - | - | - | - | - | 8 000 | - | - |
| B KZN213 Umzumbe | - | - | - | - | - | - | 8 000 | - | - |
| C DC21 Ugu District Municipality | 7 850 | 11 700 | 15 931 | 4 060 | 4 060 | 4 060 | - | - | - |
| Total: uMgungundlovu Municipalities | 4 118 | 13 511 | 28 896 | 10 381 | 10 964 | 10 964 | - | - | - |
| B KZN222 uMngeni | - | - | - | - | 583 | 583 | - | - | - |
| B KZN225 Msunduzi | - | 2 000 | 5 000 | 4 277 | 4 277 | 4 277 | - | - | - |
| C DC22 uMgungundlovu District Municipality | 4 118 | 11 511 | 23 896 | 6 104 | 6 104 | 6 104 | - | - | - |
| Total: Uthukela Municipalities | 17 760 | 21 334 | - | - | - | - | - | - | - |
| C DC23 Uthukela District Municipality | 17 760 | 21 334 | - | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | 11 513 | 11 000 | - | - | 9 185 | 9 185 | 16 000 | - | - |
| B KZN242 Nqutu | - | - | - | - | 3 970 | 3 970 | 8 000 | - | - |
| B KZN245 Umvoti | - | - | - | - | 5 215 | 5 215 | 8 000 | - | - |
| C DC24 Umzinyathi District Municipality | 11 513 | 11 000 | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | 9 050 | 14 946 | - | - | 8 000 | 8 000 | - | - | - |
| B KZN252 Newcastle | 7 420 | 6 946 | - | - | - | - | - | - | - |
| B KZN254 Dannhauser | - | - | - | - | 8 000 | 8 000 | - | - | - |
| C DC25 Amajuba District Municipality | 1 630 | 8 000 | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | 11 870 | 17 271 | - | - | 7 000 | 7 000 | - | - | - |
| B KZN261 eDumbe | - | - | - | - | 7 000 | 7 000 | - | - | - |
| B KZN263 Abaqulusi | 3 600 | 6 190 | - | - | - | - | - | - | - |
| C DC26 Zululand District Municipality | 8 270 | 11 081 | - | - | - | - | - | - | - |
| Total: Umkhanyakude Municipalities | 15 956 | 17 127 | - | - | - | - | - | - | - |
| C DC27 Umkhanyakude District Municipality | 15 956 | 17 127 | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | 8 717 | 10 000 | 10 000 | - | - | - | - | - | - |
| B KZN282 uMhlathuze | - | 2 000 | 10 000 | - | - | - | - | - | - |
| C DC28 uThungulu District Municipality | 8 717 | 8 000 | - | - | - | - | - | - | - |
| Total: Ilembe Municipalities | 13 705 | 8 111 | - | 16 931 | 25 931 | 25 931 | 8 000 | - | - |
| B KZN291 Mandeni | - | - | - | - | - | - | 8 000 | - | - |
| B KZN293 Ndwedwe | - | - | - | 7 000 | 13 000 | 13 000 | - | - | - |
| B KZN294 Maphumulo | - | - | - | - | 3 000 | 3 000 | - | - | - |
| C DC29 Ilembe District Municipality | 13 705 | 8 111 | - | 9 931 | 9 931 | 9 931 | - | - | - |
| Total: Harry Gwala Municipalities | 1 494 | 20 800 | - | - | 14 315 | 14 315 | 9 956 | - | - |
| B KZN434 Ubuhlebezwe | - | - | - | - | 10 815 | 10 815 | 9 956 | - | - |
| B KZN435 Umzimkulu | - | - | - | - | 3 500 | 3 500 | - | - | - |
| C DC43 Harry Gwala District Municipality | 1 494 | 20 800 | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | 102 033 | 145 800 | 54 827 | 31 372 | 79 455 | 79 455 | 49 956 | - | - |

Table 11.K : Transfers to local government - Construction of TSCs and CSCs

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Uthukela Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | 6 000 | - | - | - | - | - | - | - | - |
| B KZN263 Abaqulusi | 6 000 | - | - | - | - | - | - | - | - |
| Total: Umkhanyakude Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Ilembe Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | - | - | - | - | 5 000 | 7 500 | - | - |
| B KZN431 Ingwe | - | - | - | - | - | 5 000 | 7 500 | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | 6 000 | - | - | - | - | 5 000 | 7 500 | - | - |

Table 11.L : Transfers to local government - Small Town Rehabilitation programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|---------------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | 1 000 | 5 000 | 7 000 | - | - | - | - | - | - |
| B KZN214 uMuziwabantu | 1 000 | 5 000 | 7 000 | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | 6 300 | 6 600 | 13 625 | - | - | - | - | - | - |
| B KZN223 Mpofana | - | 600 | - | - | - | - | - | - | - |
| B KZN224 Impendle | 6 300 | 5 000 | 4 625 | - | - | - | - | - | - |
| B KZN227 Richmond | - | 1 000 | 9 000 | - | - | - | - | - | - |
| Total: Uthukela Municipalities | 23 220 | 27 100 | 15 000 | 5 600 | 11 100 | 11 100 | - | - | - |
| B KZN232 Emnambithi/Ladysmith | 16 000 | 7 000 | 4 000 | - | - | - | - | - | - |
| B KZN234 Umtshezi | 7 220 | 9 200 | 6 000 | - | 3 000 | 3 000 | - | - | - |
| B KZN235 Okhahlamba | - | 10 900 | 5 000 | - | 8 100 | 8 100 | - | - | - |
| C DC23 Uthukela District Municipality | - | - | - | 5 600 | - | - | - | - | - |
| Total: Umzinyathi Municipalities | 3 000 | - | - | - | - | - | - | - | - |
| B KZN242 Nqutu | 3 000 | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | 25 375 | - | 5 000 | 25 000 | 25 000 | - | - | - |
| B KZN254 Dannhauser | - | 25 375 | - | - | 25 000 | 25 000 | - | - | - |
| C DC25 Amajuba District Municipality | - | - | - | 5 000 | - | - | - | - | - |
| Total: Zululand Municipalities | - | 14 400 | 11 500 | - | 7 500 | 7 500 | - | - | - |
| B KZN262 uPhongolo | - | 3 000 | - | - | - | - | - | - | - |
| B KZN263 Abaqulusi | - | 11 400 | 11 500 | - | 7 500 | 7 500 | - | - | - |
| Total: Umkhanyakude Municipalities | 1 000 | 3 500 | - | - | - | - | - | - | - |
| B KZN271 Umhlabuyalingana | 1 000 | - | - | - | - | - | - | - | - |
| B KZN272 Jozini | - | 3 500 | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | 14 000 | 13 200 | - | - | - | - | - | - | - |
| B KZN281 Umfolozi | - | 600 | - | - | - | - | - | - | - |
| B KZN285 Mthonjaneni | 10 000 | 12 600 | - | - | - | - | - | - | - |
| B KZN286 Nkandla | 4 000 | - | - | - | - | - | - | - | - |
| Total: Ilembe Municipalities | 4 000 | 7 000 | 10 829 | 4 700 | 7 700 | 7 700 | - | - | - |
| B KZN291 Mandeni | - | 3 000 | 10 829 | - | - | - | - | - | - |
| B KZN292 KwaDukuza | - | - | - | - | 3 000 | 3 000 | - | - | - |
| B KZN293 Ndwedwe | - | 4 000 | - | - | 4 700 | 4 700 | - | - | - |
| B KZN294 Maphumulo | 4 000 | - | - | - | - | - | - | - | - |
| C DC29 Ilembe District Municipality | - | - | - | 4 700 | - | - | - | - | - |
| Total: Harry Gwala Municipalities | 21 700 | 23 370 | 19 700 | 11 000 | 33 700 | 33 700 | - | - | - |
| B KZN432 Kwa Sani | 4 430 | - | - | - | - | - | - | - | - |
| B KZN433 Greater Kokstad | 6 200 | - | 8 000 | - | 8 000 | 8 000 | - | - | - |
| B KZN434 Ubuhlebezwe | 6 720 | 14 500 | - | - | 17 700 | 17 700 | - | - | - |
| B KZN435 Umzimkulu | 4 350 | 8 870 | 11 700 | - | 8 000 | 8 000 | - | - | - |
| C DC43 Harry Gwala District Municipality | - | - | - | 11 000 | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | 74 220 | 125 545 | 77 654 | 26 300 | 85 000 | 85 000 | - | - | - |

Table 11.M : Transfers to local government - Disaster Management

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|--------------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | - | - | 5 000 | - | - | - | - | - | - |
| C DC21 Ugu District Municipality | - | - | 5 000 | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Uthukela Municipalities | 1 500 | 5 000 | - | - | - | - | - | - | - |
| C DC23 Uthukela District Municipality | 1 500 | 5 000 | - | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | - | - | - | 5 000 | 5 000 | 5 000 | - | - | - |
| C DC24 Umzinyathi District Municipality | - | - | - | 5 000 | 5 000 | 5 000 | - | - | - |
| Total: Amajuba Municipalities | 1 500 | 5 000 | - | - | - | - | - | - | - |
| B KZN252 Newcastle | 1 500 | - | - | - | - | - | - | - | - |
| C DC25 Amajuba District Municipality | - | 5 000 | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | - | - | - | 1 000 | - | - | - |
| B KZN266 Ulundi | - | - | - | - | - | 1 000 | - | - | - |
| Total: Umkhanyakude Municipalities | - | 7 740 | - | - | - | 1 000 | - | - | - |
| C DC27 Umkhanyakude District Municipality | - | 7 740 | - | - | - | 1 000 | - | - | - |
| Total: uThungulu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Ilembe Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | - | 3 000 | - | - | - | - | - | - |
| C DC43 Harry Gwala District Municipality | - | - | 3 000 | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | 3 000 | 17 740 | 8 000 | 5 000 | 5 000 | 7 000 | - | - | - |

Table 11.N : Transfers to local government - Corridor Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|---------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | 4 425 | - | 3 000 | - | - | - | - | - | - |
| Total: Ugu Municipalities | 10 000 | 10 000 | - | 9 000 | 9 000 | 9 000 | - | - | - |
| B KZN212 Umdoni | 8 000 | 1 000 | - | - | - | - | - | - | - |
| B KZN213 Umzumbe | 1 000 | - | - | - | 4 000 | 4 000 | - | - | - |
| B KZN216 Hibiscus Coast | 1 000 | 9 000 | - | - | 5 000 | 5 000 | - | - | - |
| C DC21 Ugu District Municipality | - | - | - | 9 000 | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | 26 200 | 46 000 | 32 500 | 23 000 | 23 000 | 23 000 | - | - | - |
| B KZN222 uMngeni | - | 4 000 | 15 000 | - | 15 000 | 15 000 | - | - | - |
| B KZN223 Mpofana | 900 | - | - | - | - | - | - | - | - |
| B KZN224 Impendle | 5 000 | - | 5 000 | - | - | - | - | - | - |
| B KZN225 Msunduzi | 300 | 32 000 | 12 500 | - | 8 000 | 8 000 | - | - | - |
| C DC22 uMgungundlovu District Municipality | 20 000 | 10 000 | - | 23 000 | - | - | - | - | - |
| Total: Uthukela Municipalities | - | 6 500 | 5 200 | - | 4 765 | 4 765 | - | - | - |
| B KZN232 Emnambithi/Ladysmith | - | 6 500 | 5 200 | - | - | - | - | - | - |
| B KZN235 Okhahlamba | - | - | - | - | 4 765 | 4 765 | - | - | - |
| Total: Umzinyathi Municipalities | 2 000 | 3 000 | 3 000 | 1 800 | 500 | 500 | - | - | - |
| B KZN242 Nqutu | 2 000 | 3 000 | 3 000 | - | - | - | - | - | - |
| C DC24 Umzinyathi District Municipality | - | - | - | 1 800 | 500 | 500 | - | - | - |
| Total: Amajuba Municipalities | 1 000 | 1 500 | 1 000 | 5 000 | 5 000 | 5 000 | - | - | - |
| B KZN252 Newcastle | 1 000 | 1 500 | 1 000 | - | 5 000 | 5 000 | - | - | - |
| C DC25 Amajuba District Municipality | - | - | - | 5 000 | - | - | - | - | - |
| Total: Zululand Municipalities | 15 600 | 12 200 | 3 000 | 5 000 | 5 000 | 5 000 | - | - | - |
| B KZN262 uPhongolo | 3 600 | 5 700 | 3 000 | - | 5 000 | 5 000 | - | - | - |
| C DC26 Zululand District Municipality | 12 000 | 6 500 | - | 5 000 | - | - | - | - | - |
| Total: Umkhanyakude Municipalities | 2 000 | - | - | - | - | - | - | - | - |
| B KZN274 Hlabisa | 1 000 | - | - | - | - | - | - | - | - |
| C DC27 Umkhanyakude District Municipality | 1 000 | - | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | 4 000 | 10 500 | 22 000 | 9 700 | 6 000 | 6 000 | - | - | - |
| B KZN281 Umfolozi | 3 500 | - | - | - | - | - | - | - | - |
| B KZN282 uMhlatuze | - | 7 500 | - | - | 6 000 | 6 000 | - | - | - |
| B KZN283 Ntambanana | - | 3 000 | 2 000 | - | - | - | - | - | - |
| B KZN284 uMlalazi | 500 | - | - | - | - | - | - | - | - |
| C DC28 uThungulu District Municipality | - | - | 20 000 | 9 700 | - | - | - | - | - |
| Total: Ilembe Municipalities | 14 500 | 18 400 | 500 | 5 000 | 5 000 | 5 000 | - | - | - |
| B KZN292 KwaDukuza | - | 11 000 | - | - | 5 000 | 5 000 | - | - | - |
| B KZN293 Ndwedwe | 2 000 | - | - | - | - | - | - | - | - |
| B KZN294 Maphumulo | 9 000 | - | - | - | - | - | - | - | - |
| C DC29 Ilembe District Municipality | 3 500 | 7 400 | 500 | 5 000 | - | - | - | - | - |
| Total: Harry Gwala Municipalities | 16 722 | 3 200 | 12 643 | - | 1 735 | 1 735 | - | - | - |
| B KZN431 Ingwe | 10 000 | - | - | - | - | - | - | - | - |
| B KZN432 Kwa Sani | 5 000 | - | - | - | - | - | - | - | - |
| B KZN434 Ubuhlebezwe | - | - | 12 643 | - | 1 735 | 1 735 | - | - | - |
| C DC43 Harry Gwala District Municipality | 1 722 | 3 200 | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | 96 447 | 111 300 | 82 843 | 58 500 | 60 000 | 60 000 | - | - | - |

Table 11.O : Transfers to local government - Sustainable Living Exhibition

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------|--------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | - | 1 000 | 1 000 | 1 000 | 1 000 | - | - | - |
| Total: Ugu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Uthukela Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Umkhanyakude Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Ilembe Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | - | 1 000 | 1 000 | 1 000 | 1 000 | - | - | - |

Table 11.P : Transfers to local government - Development Planning and Shared Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | 955 | - | 1 000 | 250 | 250 | 250 | 250 | 400 | - |
| C DC21 Ugu District Municipality | 955 | - | 1 000 | 250 | 250 | 250 | 250 | 400 | - |
| Total: uMgungundlovu Municipalities | 909 | - | 1 000 | 250 | 250 | 250 | 250 | 400 | - |
| C DC22 uMgungundlovu District Municipality | 909 | - | 1 000 | 250 | 250 | 250 | 250 | 400 | - |
| Total: Uthukela Municipalities | 2 400 | - | - | 250 | 250 | 250 | 250 | 1 200 | - |
| C DC23 Uthukela District Municipality | 2 400 | - | - | 250 | 250 | 250 | 250 | 1 200 | - |
| Total: Umzinyathi Municipalities | 219 | 950 | - | 250 | 250 | 250 | 250 | 400 | - |
| C DC24 Umzinyathi District Municipality | 219 | 950 | - | 250 | 250 | 250 | 250 | 400 | - |
| Total: Amajuba Municipalities | - | - | - | 1 000 | 1 000 | 1 000 | 250 | 400 | - |
| C DC25 Amajuba District Municipality | - | - | - | 1 000 | 1 000 | 1 000 | 250 | 400 | - |
| Total: Zululand Municipalities | - | 950 | - | 250 | 250 | 250 | 250 | 400 | - |
| C DC26 Zululand District Municipality | - | 950 | - | 250 | 250 | 250 | 250 | 400 | - |
| Total: Umkhanyakude Municipalities | 649 | - | - | 250 | 250 | 250 | 1 100 | 400 | - |
| C DC27 Umkhanyakude District Municipality | 649 | - | - | 250 | 250 | 250 | 1 100 | 400 | - |
| Total: uThungulu Municipalities | 329 | - | - | 1 000 | 1 000 | 1 000 | 250 | 400 | - |
| C DC28 uThungulu District Municipality | 329 | - | - | 1 000 | 1 000 | 1 000 | 250 | 400 | - |
| Total: Ilembe Municipalities | - | 100 | - | 1 000 | 1 000 | 1 000 | 250 | 400 | - |
| C DC29 Ilembe District Municipality | - | 100 | - | 1 000 | 1 000 | 1 000 | 250 | 400 | - |
| Total: Harry Gwala Municipalities | - | - | - | 250 | 250 | 250 | 1 100 | 400 | - |
| C DC43 Harry Gwala District Municipality | - | - | - | 250 | 250 | 250 | 1 100 | 400 | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | 5 461 | 2 000 | 2 000 | 4 750 | 4 750 | 4 750 | 4 200 | 4 800 | - |

Table 11.Q : Transfers to local government - Community participation in IDPs

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | - | 200 | 200 | - | - | - | - | - | - |
| B KZN214 uMuziwabantu | - | - | 200 | - | - | - | - | - | - |
| B KZN215 Ezingoleni | - | 200 | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | 200 | 200 | - | - | - | - | - | - |
| B KZN224 Impendle | - | - | 200 | - | - | - | - | - | - |
| B KZN227 Richmond | - | 200 | - | - | - | - | - | - | - |
| Total: Uthukela Municipalities | - | - | 200 | - | - | - | - | - | - |
| B KZN236 Imbabazane | - | - | 200 | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | - | 200 | 200 | - | - | - | - | - | - |
| B KZN242 Nqutu | - | - | 200 | - | - | - | - | - | - |
| B KZN244 Msinga | - | 200 | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | 200 | 200 | - | - | - | - | - | - |
| B KZN253 eMadlangeni | - | - | 200 | - | - | - | - | - | - |
| B KZN254 Dannhauser | - | 200 | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | 200 | 200 | - | - | - | - | - | - |
| B KZN261 eDumbe | - | 200 | - | - | - | - | - | - | - |
| B KZN262 uPhongolo | - | - | 200 | - | - | - | - | - | - |
| Total: Umkhanyakude Municipalities | - | 200 | 200 | - | - | - | - | - | - |
| B KZN271 Umhlabyalingana | - | 200 | - | - | - | - | - | - | - |
| B KZN273 The Big 5 False Bay | - | - | 200 | - | - | - | - | - | - |
| Total: uThungulu Municipalities | - | 200 | 200 | - | - | - | - | - | - |
| B KZN281 Umfolozi | - | 200 | - | - | - | - | - | - | - |
| B KZN284 uMlalazi | - | - | 200 | - | - | - | - | - | - |
| Total: Ilembe Municipalities | - | 400 | 200 | - | - | - | - | - | - |
| B KZN291 Mandeni | - | - | 200 | - | - | - | - | - | - |
| B KZN293 Ndwedwe | - | 200 | - | - | - | - | - | - | - |
| B KZN294 Maphumulo | - | 200 | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | 200 | 200 | - | - | - | - | - | - |
| B KZN433 Greater Kokstad | - | 200 | - | - | - | - | - | - | - |
| B KZN435 Umzimkulu | - | - | 200 | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | 2 000 | 2 000 | - | - | - | - | - | - |

Table 11.R : Transfers to local government - Operational Support for TSCs

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | 1 000 | - | - | - | - | - | - | - | - |
| B KZN211 Vulamehlo | 500 | - | - | - | - | - | - | - | - |
| B KZN212 Umdoni | 500 | - | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | 400 | - | - | - | - | - | - | - |
| B KZN224 Impendle | - | 400 | - | - | - | - | - | - | - |
| Total: Uthukela Municipalities | 500 | - | - | - | - | - | - | - | - |
| B KZN235 Okhahlamba | 500 | - | - | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | 1 500 | - | - | - | - | - | - | - | - |
| B KZN242 Nqutu | 500 | - | - | - | - | - | - | - | - |
| B KZN244 Msinga | 500 | - | - | - | - | - | - | - | - |
| B KZN245 Umvoti | 500 | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | 500 | 400 | - | 1 250 | 1 250 | 1 250 | - | - | - |
| B KZN262 uPhongolo | - | 400 | - | - | - | - | - | - | - |
| B KZN263 Abaqulusi | - | - | - | 1 250 | 1 250 | 1 250 | - | - | - |
| B KZN266 Ulundi | 500 | - | - | - | - | - | - | - | - |
| Total: Umkhanyakude Municipalities | - | - | 250 | - | - | - | - | - | - |
| C DC27 Umkhanyakude District Municipality | - | - | 250 | - | - | - | - | - | - |
| Total: uThungulu Municipalities | 1 000 | - | - | 4 000 | 4 000 | 4 000 | - | - | - |
| B KZN281 Umfolozi | - | - | - | 4 000 | 4 000 | 4 000 | - | - | - |
| B KZN283 Ntambanana | 500 | - | - | - | - | - | - | - | - |
| B KZN286 Nkandla | 500 | - | - | - | - | - | - | - | - |
| Total: Ilembe Municipalities | 500 | 400 | - | - | - | - | - | - | - |
| B KZN292 KwaDukuza | 500 | - | - | - | - | - | - | - | - |
| B KZN293 Ndwedwe | - | 400 | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | 400 | - | - | - | - | - | - | - |
| B KZN434 Ubuhlebezwe | - | 400 | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | 5 000 | 1 600 | 250 | 5 250 | 5 250 | 5 250 | - | - | - |

Table 11.S : Transfers to municipalities - Pounds Act

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Uthukela Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Umkhanyakude Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Ilembe Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | - | - | - | 1 000 | 1 000 | - | - | - |
| B KZN431 Ingwe | - | - | - | - | 1 000 | 1 000 | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | 1 000 | 1 000 | - | - | - |

Table 11.T : Transfers to local government - Municipal Excellence awards

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | - | - | - | - | 2 000 | 2 000 | - | - | - |
| B KZN215 Ezingoleni | - | - | - | - | 1 000 | 1 000 | - | - | - |
| B KZN216 Hibiscus Coast | - | - | - | - | 1 000 | 1 000 | - | - | - |
| Total: uMgungundlovu Municipalities | - | 2 000 | - | - | - | - | - | - | - |
| B KZN227 Richmond | - | 1 000 | - | - | - | - | - | - | - |
| C DC22 uMgungundlovu District Municipality | - | 1 000 | - | - | - | - | - | - | - |
| Total: Uthukela Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Umkhanyakude Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | - | - | 2 000 | - | 2 000 | 2 000 | - | - | - |
| B KZN281 Umfolozi | - | - | 1 000 | - | - | - | - | - | - |
| B KZN282 uMhlathuze | - | - | - | - | 1 000 | 1 000 | - | - | - |
| C DC28 uThungulu District Municipality | - | - | 1 000 | - | 1 000 | 1 000 | - | - | - |
| Total: Ilembe Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | 1 000 | - | - | 1 000 | 1 000 | - | - | - |
| B KZN433 Greater Kokstad | - | 1 000 | - | - | - | - | - | - | - |
| B KZN435 Umzimkulu | - | - | - | - | 1 000 | 1 000 | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | 3 000 | 2 000 | - | 5 000 | 5 000 | - | - | - |

Table 11.U : Transfers to local government - Public Participation Citizen Satisfaction Survey

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | - | 1 130 | - | - | - | - | - | - | - |
| C DC21 Ugu District Municipality | - | 1 130 | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Uthukela Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Umkhanyakude Municipalities | - | - | 750 | - | - | - | - | - | - |
| C DC27 Umkhanyakude District Municipality | - | - | 750 | - | - | - | - | - | - |
| Total: uThungulu Municipalities | - | - | 750 | - | - | - | - | - | - |
| C DC28 uThungulu District Municipality | - | - | 750 | - | - | - | - | - | - |
| Total: Ilembe Municipalities | - | 1 130 | - | - | - | - | - | - | - |
| C DC29 Ilembe District Municipality | - | 1 130 | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | 2 260 | 1 500 | - | - | - | - | - | - |

Table 11.V : Transfers to local government - uMhlathuze Water

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Uthukela Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Umkhanyakude Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | - | - | - | 21 000 | - | - | - | - | - |
| B KZN282 uMhlathuze | - | - | - | 21 000 | - | - | - | - | - |
| Total: Ilembe Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | 21 000 | - | - | - | - | - |

Table 11.W : Transfers to local government - Umzimkulu Support, IGR, District Growth and Development Summit and various

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|----------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | 2 500 | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | 1 780 | 600 | - | - | - | - | - | - | - |
| B KZN211 Vulamehlo | 400 | - | - | - | - | - | - | - | - |
| B KZN212 Umdoni | 580 | - | - | - | - | - | - | - | - |
| C DC21 Ugu District Municipality | 800 | 600 | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | 2 900 | - | - | - | - | - | - | - |
| B KZN222 uMngeni | - | 1 500 | - | - | - | - | - | - | - |
| C DC22 uMgungundlovu District Municipality | - | 1 400 | - | - | - | - | - | - | - |
| Total: Uthukela Municipalities | 5 067 | 5 400 | - | - | - | - | - | - | - |
| B KZN232 Emnambithi/Ladysmith | 2 000 | 2 000 | - | - | - | - | - | - | - |
| B KZN235 Okhahlamba | 667 | - | - | - | - | - | - | - | - |
| C DC23 Uthukela District Municipality | 2 400 | 3 400 | - | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | 4 301 | 5 455 | - | - | - | - | - | - | - |
| B KZN242 Nqutu | 667 | - | - | - | - | - | - | - | - |
| B KZN244 Msinga | 2 167 | - | - | - | - | - | - | - | - |
| B KZN245 Umvoti | 667 | 1 000 | - | - | - | - | - | - | - |
| C DC24 Umzinyathi District Municipality | 800 | 4 455 | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | 4 344 | - | - | - | - | - | - | - |
| C DC25 Amajuba District Municipality | - | 4 344 | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | 3 050 | 4 600 | - | - | - | - | - | - | - |
| B KZN262 uPhongolo | - | 3 000 | - | - | - | - | - | - | - |
| B KZN265 Nongoma | - | 1 000 | - | - | - | - | - | - | - |
| B KZN266 Ulundi | 250 | - | - | - | - | - | - | - | - |
| C DC26 Zululand District Municipality | 2 800 | 600 | - | - | - | - | - | - | - |
| Total: Umkhanyakude Municipalities | 800 | 3 600 | - | - | - | - | - | - | - |
| B KZN272 Jozini | - | 1 000 | - | - | - | - | - | - | - |
| C DC27 Umkhanyakude District Municipality | 800 | 2 600 | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | 9 217 | 1 900 | - | - | - | - | - | - | - |
| B KZN281 Umfolozi | 750 | 1 000 | - | - | - | - | - | - | - |
| B KZN283 Ntambanana | 667 | - | - | - | - | - | - | - | - |
| B KZN285 Mthonjaneni | 4 000 | - | - | - | - | - | - | - | - |
| B KZN286 Nkandla | 3 000 | - | - | - | - | - | - | - | - |
| C DC28 uThungulu District Municipality | 800 | 900 | - | - | - | - | - | - | - |
| Total: Ilembe Municipalities | 3 465 | 2 300 | - | - | - | - | - | - | - |
| B KZN292 KwaDukuza | 1 165 | - | - | - | - | - | - | - | - |
| C DC29 Ilembe District Municipality | 2 300 | 2 300 | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | 25 820 | 2 100 | - | - | - | - | - | - | - |
| B KZN431 Ingwe | - | - | - | - | - | - | - | - | - |
| B KZN432 Kwa Sani | 500 | - | - | - | - | - | - | - | - |
| B KZN434 Ubuhlebezwe | - | 1 500 | - | - | - | - | - | - | - |
| C DC43 Harry Gwala District Municipality | 25 320 | 600 | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | 56 000 | 33 199 | - | - | - | - | - | - | - |

Table 11.X : Transfers to local government - Schemes Support programmes

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------|----------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | - | - | - | 500 | 500 | 500 | - | - | - |
| B KZN213 Umzumbe | - | - | - | 500 | 500 | 500 | - | - | - |
| Total: uMgungundlovu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Uthukela Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | - | 350 | 350 | 350 | - | - | - |
| B KZN263 Abaqulusi | - | - | - | 350 | 350 | 350 | - | - | - |
| Total: Umkhanyakude Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | - | - | - | 1 355 | 1 355 | 1 355 | - | - | - |
| B KZN281 Umfolozi | - | - | - | 855 | 855 | 855 | - | - | - |
| B KZN285 Mthonjaneni | - | - | - | 500 | 500 | 500 | - | - | - |
| Total: Ilembe Municipalities | - | - | - | 500 | 500 | 500 | - | - | - |
| B KZN291 Mandeni | - | - | - | 500 | 500 | 500 | - | - | - |
| Total: Harry Gwala Municipalities | - | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | 2 705 | 2 705 | 2 705 | - | - | - |

VOTE 12

Transport

| | |
|---------------------------------|--|
| Operational budget | R 9 339 635 423 |
| MEC remuneration | R 1 821 577 |
| Total amount to be appropriated | R 9 341 457 000 |
| Responsible MEC | MEC for Transport and Community Safety and Liaison |
| Administering department | Transport |
| Accounting officer | Head: Transport |

1. Overview

Vision

The department's vision is: *Prosperity through mobility*.

Mission statement

The department's mission is: *To strive to provide the public with mobility by an affordable transportation system that is safe, integrated, regulated and accessible to meet the developmental needs of the province.*

Strategic objectives

Strategic policy direction: The department's strategic policy direction is to support rural development, poverty alleviation and job creation as the department builds roads and bridges, provides safe integrated public transport systems, and manages traffic and the safety of all road users.

The department has set the following goals in order to achieve this:

- Provide mobility and accessibility within the province to achieve 32 890 kilometres of new road infrastructure by 2020.
- Effective management of the surfaced road infrastructure network by reducing the road condition of "poor to very poor" to less than 30 per cent by 2020.
- Promote and develop an integrated transportation system.
- Create and promote a safe road environment by decreasing road fatalities by 30 per cent by 2020.
- Promote sustainable economic transformation through expending 75 per cent of the procurement budget on Broad-Based Black Economic Empowerment (B-BBEE) level 4.

Core functions

Turning the vision of the department into reality can only be achieved by focusing the attention and energy of all employees and relevant stakeholders on the performance of its core functions, namely:

Construct, maintain and repair the provincial road network

The department's mandate is to construct and maintain a balanced road network that meets the mobility needs of the citizens of KZN, and supports the national and provincial growth and development strategies.

Plan, regulate and provide an integrated transportation system

The department's mandate is to regulate public transport and ensure access to safe, efficient and affordable public transport. The department is further mandated to facilitate development in the freight transport industry and the minimisation of negative externalities resultant from the transport of freight.

Manage road traffic

The department's mandate is to create a safe road environment, through the reduction of road accidents. The main services rendered include road traffic enforcement, road safety education, the analysis and re-engineering of hazardous locations and the registration and licensing of vehicles.

Legislative mandate

The key legislative mandates of the department are derived mainly from the following legislation:

- Administrative Adjudication of Road Traffic Offences Act (Act No. 46 of 1998)
- Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003)
- Criminal Procedure Act (Act No. 51 of 1977)
- Cross-border Road Transport Act (Act No. 4 of 1998)
- Employment Equity Act (Act No. 55 of 1998)
- Inter-governmental Relations Framework Act (Act No. 13 of 2005)
- KZN Provincial Minibus Taxi Act (Act No. 4 of 1998)
- KZN Provincial Roads Act (Act No. 4 of 2001)
- KZN Provincial Supply Chain Management Policy Framework (2006)
- KZN Public Transport Act (Act No. 3 of 2005)
- KZN Road Traffic Act (Act No. 7 of 1997)
- National Land Transport Act (Act No. 22 of 2000)
- National Roads Act (Act No. 54 of 1971)
- National Road Traffic Act (Act No. 93 of 1996)
- Occupational Health and Safety Amendment Act (Act No. 5 of 2000)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Promotion of Administrative Justice Act (Act No. 3 of 2000)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Public Service Act (Act No. 103 of 1994) and Regulations
- Road Traffic Act (Act No. 29 of 1989)
- Road Traffic Management Corporation Act (Act No. 20 of 1999)
- The Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Construction Industry Development Board Act (Act No. 38 of 2000)
- Urban Transport Act (Act No. 78 of 1977)

2. Review of the 2014/15 financial year

Section 2 provides a review of 2014/15, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments.

Transport infrastructure

Nearly 75 per cent of the department's budget is allocated toward the upgrading and maintenance of road infrastructure in line with the goal of providing a balanced road network that meets the mobility needs of KZN citizens, and providing a logistics platform for South Africa's global trade, in accordance with the national and PGDS/P.

Departmental programmes like Operation *KuShunquthuli* and the African Renaissance Roads Upgrading Programme (ARRUP) have continued to focus on road infrastructure development in rural areas. The

following are some projects currently in progress:

- Main Road P234, located in Nongoma, comprises the upgrade of 40 kilometres from gravel to blacktop. Currently, five kilometres of earthwork activities are in progress to construct a temporary detour for road users.
- Main Road P104, located in Ndwedwe, comprises the upgrade of 22 kilometres from gravel to blacktop, and five kilometres of this will be achieved by the end of 2014/15.
- Main Road P1-1(M13), located between Hillcrest and Pinetown, consisting of the rehabilitation of 11 kilometres of blacktop road. There was a delay in finalising the surface due to tender appeals. However, seven kilometres of milling and replace of premix (where existing surface is removed and new asphalt material is laid) will be achieved by the end of 2014/15.
- Main Road P398-1, located between KwaMsane and Mtubatuba, where 11 kilometres of rehabilitation have been completed.
- Main Road P496 John Ross Highway, located between Empangeni to Richards Bay, consisting of the upgrade of 16 kilometres in 2015/16.
- Two pedestrian bridges were completed in the eThekweni Metro. The department planned to achieve 13 pedestrian bridges by the end of 2014/15, and the balance is on track to be completed in the fourth quarter.

The departmental target outputs for rehabilitation were negatively affected due to various tender appeals that were lodged against the annual contract for supplying and laying of premix. These projects are large and are therefore undertaken over a period of time. As such, most of these projects continue over several financial years. There are also challenges that are beyond the department's control, such as unfavourable weather conditions, in addition to the tender appeals. The department is working closely with Provincial Treasury to fast-track these appeals so that projects can commence or continue.

Transport operations

The implementation of the Public Transport Implementation Strategy, which will provide for the incorporation of all modes of transport into the public transport subsidised contracts, remains one of the priorities of the department. During the year under review, the department developed an incubation programme to create an enabling environment for new emerging operators within the transportation industry to develop into sustainable contracting operators. The department also separated the contracts into sustainable business packages (to assist small and previously disadvantaged operators to compete with established operators), assessed the financial viability of new contracts, and developed and conducted a consultation process with affected operators in areas of operations including all contracted operators, the South African Bus Owners Association, the South African National Taxi Council, as well as the KwaZulu-Natal Bus Council.

The last Integrated Public Transport Network (IPTN) in the Harry Gwala District Municipality commenced in 2014/15, and the department has indicated that this will be completed by 2016/17.

Learner transport

In 2014/15, the department received R168.430 million for the provision of subsidised dedicated learner transport services, as well as monitoring. This has allowed an increase in the number of learners and schools benefiting. The number of learners benefiting has increased from 19 550 in 2013/14 to 21 760 in 2014/15 and schools increased from 206 in 2013/14 to 226 in 2014/15. These increases are in line with the additional needs arising from learners moved from satellite schools and non-viable schools (where schools in remote areas are not performing well, and do not have enough learners, teachers and equipment) and are moved to mainstream schools which are far from their communities, and hence transportation is required.

Although there is progress in the provision of this service, the challenge of high demand for additional dedicated learner transport services still remains, but limited funding makes it difficult to address all the needs, at this stage.

Road safety

At a national level, government has become a signatory to the United Nation pledge for “A Decade of Action for Road Safety 2011-2020”. This pledge commits to reducing and stabilising the level of road traffic deaths around the world by 50 per cent by 2020. The Decade of Action is a commitment shared by both the National and Provincial Departments of Transport, which focuses on building road safety management capacity, upgrading safety infrastructure, furthering the safety of vehicles, enhancing the behaviour of road safety users, and improving post-road accident care.

Expanded Public Works Programme (EPWP)

The department continued to expand community-based labour-intensive road construction and maintenance programmes, which are aligned with the objectives of EPWP principles. The department created 5 336 000 person days of employment, equating to 60 000 jobs created in 2014/15. This includes 43 850 for women and 30 000 for youth. This programme has contributed to the alleviation of poverty and created employment opportunities for people who will not usually find employment in the formal sector due to lack of formal education.

3. Outlook for the 2015/16 financial year

Section 3 looks at the key focus areas of 2015/16, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

The bulk of the department’s budget allocation is for the construction of roads, and the maintenance of the provincial road network. In 2015/16, the department will continue with construction and maintenance projects which include Main Road P234, Main Road P104, Main Road P1-1(M13), Main Road P496, Main Road P230, and Main Road P68, which are detailed below. In addition, the department will continue with the provision of learner transport services and the subsidisation of bus services in the province. The department will continue to undertake law enforcement campaigns through Operation *Shanela* to promote road safety.

Transport infrastructure

The department will continue to use the Operation *KuShunquthuli* and ARRUP to focus on road infrastructure development in rural areas. The department will continue with the construction of the following projects that will be the stimulus in linking rural communities to provincial hubs of activity, to achieve the strategic goal of providing access and mobility within the province, where the priority is in rural areas. The department will continue with the upgrading and rehabilitation of the provincial road network to improve and prolong the lifespan of the provincial infrastructure network, and this includes the following projects:

- Main Road P234, located in Nongoma, comprising the upgrade of 40 kilometres from gravel to blacktop. The department plans to construct a further five kilometres of surfaced road in 2015/16.
- Main Road P104, located in Ndwedwe, comprising the upgrade of 22 kilometres from gravel to blacktop. The department plans to upgrade a further five kilometres of surfaced road in 2015/16.
- Main Road P1-1(M13), located between Hillcrest and Pinetown, consisting of the rehabilitation of four kilometres of blacktop road in 2015/16.
- Main Road P496 John Ross Highway, located between Empangeni to Richards Bay, consisting of the upgrade of 16 kilometres in 2015/16.
- Main Road P230, located between Eshowe to Empangeni, comprising the upgrade of six kilometres from gravel road to blacktop surface in 2015/16.

Transport operations

After the successful implementation of the Public Transport Implementation Strategy in Port Shepstone, the department plans to roll out implementation to other districts in the province, where there are subsidised service contracts for the public transport system. The re-engineering of the public transport system in the country has resulted in the need to develop and implement integrated public transport

networks, which is a municipal function. However, the lack of capacity in municipalities to undertake this function means that the department will continue to provide assistance to district municipalities to develop their IPTNs. The department has already completed nine (Ugu, Umkhanyakude, uMgungundlovu, Ilembe, uThungulu, Uthukela, Zululand, Umzinyathi and Amajuba) IPTNs, with the remaining one (Harry Gwala) being scheduled for completion by 2016/17.

Learner transport

The department will continue to provide learner transport services in the province over the 2015/16 MTEF, which will provide an estimated 226 schools and 21 760 learners with the service. The challenges in respect of this service include the fact that demand far exceeds the budget available to provide the service.

A provincial Learner Transport Framework, which will guide transportation of learners in the province, will be developed during 2015/16.

Road safety

The department is in the process of formalising a departmental liaison structure at ward committee level in respect of road safety programmes to ensure that there is a systematic way of getting all transportation related needs coming from a ward level up to the provincial level. It will also enable a distribution of all departmental services and support to communities through structures that are ward-based. The various community-based structures, such as the Community Road Safety Councils (CRSCs), the Rural Road Transport Forums (RRTFs) and the Public Transport Passenger Associations (PTPAs) within the department, are being amalgamated into a single structure in order to deliver co-ordinated services. The representation of road safety at ward level, within the newly formed transportation structure, will greatly improve the identification and prioritisation of required engineering needs (such as speed bumps, sidewalks and road signage) by reducing the reporting and implementation channel from head office level to area manager level.

The department will continue to implement the Participatory Education Techniques project and the Road Safety Debates project, which focus on youth development. These projects provide a platform to educate high school learners on road safety issues. They are flagship projects of the Road Traffic Management Corporation (RTMC), who is also responsible for co-ordinating and managing the National Road Safety Debates Competition. The department further proposes the enhancement of partnerships against road accidents through the international planning and co-ordination of internal and external partners in road safety activities. Road safety education will be intensified and improved through the provision of research-driven road safety education programmes and resource material.

Expanded Public Works Programme (EPWP)

The department will continue to expand the community-based labour-intensive road construction and maintenance programmes, which are aligned with the objectives of EPWP principles. In line with EPWP phase 3, the department aims to adhere to the key principles of the programme by increasing the labour-intensity of various projects, increasing the intake of youth beneficiaries, adhering to the EPWP wage rate as required by the Ministerial Determination on Public Works Programmes, while ensuring the delivery of quality service to communities. In 2015/16, the department is committed to creating 5 520 000 work opportunities, equating to 62 700 jobs created. This included 44 640 for women and 31 350 for youth.

The department received funding in 2015/16 in respect of the EPWP Integrated Grant for Provinces to be utilised for the creation of EPWP job opportunities. The department will continue with the development of a B-BBEE road construction and maintenance industry, through the provision of accredited business skills training for the *Zibambele* and *Vukuzakhe* contractors.

From the 2015/16 MTEF, funds have been suspended from the department to the Department of Public Works (DOPW) in respect of the function shift of the provincial co-ordination of EPWP. DOPW will now be responsible for ensuring that the provincial co-ordination and support function is aligned to the structuring at national level and with other provinces.

4. Receipts and financing

4.1 Summary of receipts

Table 12.1 gives the sources of funding of Vote 12 over the seven-year period 2011/12 to 2017/18. The table also compares actual and budgeted receipts against actual and budgeted payments.

The department receives a provincial allocation in the form of an equitable share, and national conditional grant allocations for the maintenance and construction of road infrastructure, the subsidisation of bus transport in the province and creating job opportunities through EPWP projects.

Table 12.1 : Summary of receipts and financing

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|-------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Equitable share | 4 470 772 | 5 045 133 | 5 450 741 | 6 308 211 | 6 298 211 | 6 298 211 | 6 571 834 | 6 920 253 | 7 266 266 |
| Conditional grants | 2 157 272 | 2 373 740 | 2 464 340 | 2 752 384 | 2 752 384 | 2 752 384 | 2 759 623 | 2 815 406 | 3 008 345 |
| Transport Disaster Management grant | 29 736 | - | - | - | - | - | - | - | - |
| Public Transport Operations grant | 773 473 | 808 279 | 852 325 | 904 783 | 904 783 | 904 783 | 924 766 | 964 241 | 1 024 634 |
| EPWP Integrated Grant for Provinces | 117 415 | 64 290 | 88 487 | 59 443 | 59 443 | 59 443 | 55 602 | - | - |
| Provincial Roads Maintenance grant | 1 236 648 | 1 501 171 | 1 523 528 | 1 788 158 | 1 788 158 | 1 788 158 | 1 779 255 | 1 851 165 | 1 983 711 |
| Total receipts | 6 628 044 | 7 418 873 | 7 915 081 | 9 060 595 | 9 050 595 | 9 050 595 | 9 331 457 | 9 735 659 | 10 274 611 |
| Total payments | 6 639 855 | 7 650 308 | 8 055 187 | 9 060 595 | 9 050 885 | 9 050 885 | 9 341 457 | 9 735 659 | 10 274 611 |
| Surplus/(Deficit) before financing | (11 811) | (231 435) | (140 106) | - | (290) | (290) | (10 000) | - | - |
| Financing | | | | | | | | | |
| of which | | | | | | | | | |
| Provincial roll-overs | - | - | - | - | - | - | - | - | - |
| Provincial cash resources | - | 224 921 | 131 000 | - | 290 | 290 | 10 000 | - | - |
| Surplus/(Deficit) after financing | (11 811) | (6 514) | (9 106) | - | - | - | - | - | - |

The department received various conditional grants over the period including the Public Transport Operations grant (PTOG), the EPWP Integrated Grant for Provinces, the Provincial Roads Maintenance grant and the Transport Disaster Management grant (in 2011/12 only), to provide for flood disaster in the South Coast area.

The department over-spent its allocation by R11.811 million in 2011/12, largely due to the ongoing costs of the reconstruction (betterment and re-gravelling) of roads, undertaken in respect of the flood damage to the provincial road network that occurred mainly in the Ladysmith area in December 2010 and January 2011. In addition, the higher than anticipated rehabilitation of roads undertaken in line with a detailed technical analysis of the road conditions in KZN also contributed to the over-expenditure.

In 2012/13, the department was allocated R19.921 million in respect of the EPWP Integrated Grant for Provinces. This was transferred to the Provincial Revenue Fund in 2011/12, but only allocated in 2012/13 to be utilised for the creation of EPWP job opportunities. In addition, R205 million was allocated in respect of the rehabilitation and upgrade of various roads. This included the upgrade of 44.5 kilometres of gravel roads to blacktop roads and the construction of one pedestrian bridge. These amounts are reflected against provincial cash resources in Table 12.1.

The department over-spent against the 2012/13 budget by R6.514 million mainly due to the early commencement of the construction of the Mahlabathini gravel roads, Umzimkhulwana River Bridge, Main road P728 in Ugu and the Main road P700 in Ulundi and Empangeni that were put on hold in 2011/12. This was due to internal project reprioritisation in that year to offset unbudgeted expenditure which resulted from the reconstruction of roads damaged as a result of heavy rainfall in December 2010 and January 2011 in the Ladysmith area. The increased costs in construction materials such as cement, fuel, bitumen, etc., also contributed to the over-expenditure.

In 2013/14, the department was allocated provincial cash resources of R131 million, made up of R70 million for road rehabilitation and construction backlogs, R60 million for various public transport projects (which was used to offset spending pressures relating to the PTOG), as well as R1 million for Operation *Sukuma Sakhe* (OSS) initiatives. In addition, the department was allocated R6.800 million for the re-grading of clerical staff from level 4 to level 5 in line with DPSA requirements. Also in 2013/14, an amount of R157.007 million was reduced from the Provincial Roads Maintenance grant in line with a

directive from National Treasury, and an amount of R2.662 million was suspended in respect of the centralisation of parts of the communications budget under the Office of the Premier (OTP).

The department over-spent against the 2013/14 budget by R9.106 million due to expenditure pressures relating to the PTOG, as a result of the under-funding of the grant from its inception and increases in fuel prices and labour costs, which resulted in higher than anticipated claims in respect of bus subsidies. The completion of some sections of various construction projects, the increased costs in construction materials such as cement, fuel, bitumen, etc., also contributed to the over-expenditure.

This 2013/14 over-spending resulted in unauthorised expenditure in terms of the adoption of the SCOPA resolutions by the Legislature on 9 December 2014. Thus, in terms of Section 34(2) of the PFMA, the department is liable for the repayment of the over-expenditure. This resulted in the first instalment of the first charge of R4.553 million being implemented against the budget in 2015/16 and the second instalment of R4.553 million in 2016/17. This is reflected as a footnote in Tables 12.6 and 12.7 below.

In the 2014/15 Adjusted Appropriation, provincial cash resources of R290 000 were allocated to the department for the costs relating to the RTI Commission in respect of the nine applicants who were hospitalised as a result of the trainee traffic officers' recruitment process that took place in 2012/13, as well as the one applicant who was hospitalised for an extended period.

Also in the 2014/15 Adjusted Appropriation, provincial cash resources of R10 million were suspended from the department and allocated back in 2015/16, in respect of learner transport services. The department was allocated an additional R37 million in January 2014, fairly late during the process of compiling the *EPRE*. Also, the learner transport contracts that needed to be in place for the department to fully spend the entire additional allocation were not awarded due to delays experienced with the appointment of service providers. Accordingly, as the department was not able to spend the entire additional allocation, an amount of R10 million was suspended to 2015/16, when all contracts will be in place. As at the end of December 2014, the department is projecting to fully spend the 2015/16 allocation.

With regard to the 2015/16 MTEF, the department has been reallocated funds relating to the external bursaries budget that were centralised in the 2014/15 MTEF under OTP. This has been decentralised back to all departments from where the budget was previously moved.

The budget shows a healthy increase over the 2015/16 MTEF mainly attributed to the carry-through allocations of construction and maintenance projects, investment in the computerised licence testing project and an increase in law enforcement and road safety campaigns, as well as inflationary increments.

4.2 Departmental receipts collection

Table 12.2 below indicates the estimated departmental receipts for Vote 12. Details of departmental receipts are presented in *Annexure – Vote 12: Transport*. Table 12.2 shows a general increase in the total amount of revenue collected by the department over the seven-year period. This increase can be attributed to improved revenue collection strategies, higher than anticipated applications for new and renewal of motor vehicle licences, as well as higher than anticipated applications for learners' and drivers' licences

Table 12.2 : Summary of departmental receipts collection

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | 1 231 524 | 1 318 621 | 1 396 323 | 1 420 000 | 1 420 000 | 1 452 633 | 1 481 000 | 1 540 240 | 1 601 850 |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | 1 231 524 | 1 318 621 | 1 396 323 | 1 420 000 | 1 420 000 | 1 452 633 | 1 481 000 | 1 540 240 | 1 601 850 |
| Sale of goods and services other than capital assets | 122 587 | 126 819 | 130 592 | 120 000 | 120 000 | 123 286 | 129 450 | 135 923 | 142 719 |
| Transfers received | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | 45 148 | 50 318 | 38 186 | 25 000 | 25 000 | 36 274 | 38 088 | 39 992 | 41 992 |
| Interest, dividends and rent on land | 350 | 274 | 202 | 160 | 160 | 253 | 266 | 280 | 295 |
| Sale of capital assets | 3 558 | 1 951 | 4 181 | 2 500 | 2 500 | 2 281 | 2 650 | 2 800 | 2 940 |
| Transactions in financial assets and liabilities | 6 315 | 4 282 | 7 814 | 4 500 | 4 500 | 1 956 | 2 053 | 2 176 | 2 307 |
| Total | 1 409 482 | 1 502 265 | 1 577 298 | 1 572 160 | 1 572 160 | 1 616 683 | 1 653 507 | 1 721 411 | 1 792 102 |

As reflected in Table 12.2, the bulk of the department's revenue is derived from *Tax receipts (Motor vehicle licences)* collected in terms of the Road Traffic Act. The increase from 2011/12 onward can be attributed to the growth in vehicle population and higher than anticipated application of new and the renewal of motor vehicle licences. Over the MTEF, growth of *Motor vehicle licences* averages 3 per cent as the department is concerned with the reduction in revenue due to cheaper fees from neighbouring provinces such as Mpumalanga.

Sale of goods and services other than capital assets consists of motor vehicle registration, sale of personalised and specific number plates, registration of classification of vehicles, such as abnormal loads and special vehicles, as well as applications for learners' and drivers' licences. Additional to these revenue sources are boarding services, and course fees related to the Traffic Inspectorate Training College and commission on PERSAL deductions, etc. The revenue collection increased from 2011/12 to 2013/14 due to the higher than anticipated applications for learners' and drivers' licences, sale of personalised and specific number plates, as well as improved registration of classification of vehicles, such as abnormal loads and special vehicles. The fluctuation is due to the category being dependant on a wide range of population such as individuals, businesses and vehicle population. The 2014/15 Revised Estimate projects to over-collect due to the higher than anticipated application of learners and drivers' licences. The increase over the MTEF can be ascribed to the continuous increase in demand for drivers' licences coupled with inflationary increments. At this stage, the revenue collection over the 2015/16 MTEF excludes the effect of changing from town specific number plates to KZN registration numbers.

Fines, penalties and forfeits largely reflects the collection of traffic fines from non-compliance to road traffic laws and regulations. The revenue collected from 2011/12 to 2012/13 can be attributed to improved recovery strategies and measures put in place for the collection of fines receivable, such as traffic fines. It must be noted that the revenue fluctuations are due to the nature of this category which is difficult to project. The decline from 2012/13 to the 2014/15 Revised Estimate can be attributed to the implementation of the Administrative Adjudication of Road Traffic Offences (AARTO) Act. This Act outlines a framework for the distribution of revenue collected from this category among the stakeholders concerned. It also offers discounts to the offender if the fine is paid within a specified timeframe. *Albeit* from a lower level, the growth over the MTEF is based on historical performance and inflationary increments.

Interest, dividends and rent on land mainly consists of items such as interest on staff debts. The fluctuations over the seven-year period can be attributed to the difficulty in accurately projecting for these items due to their uncertain nature.

Sale of capital assets reflects the sale of redundant vehicles and departmental plant. The difficulty in projecting with certainty for the collection of these receipts results in the fluctuations over the seven-year period, hence the conservative growth over the MTEF.

The department also collects revenue from *Transactions in financial assets and liabilities*, which are made up of recoveries of staff debts and stale cheques. Revenue collection against this category is also uncertain, hence the fluctuations over the seven-year period.

4.3 Agency receipts

Tables 12.3 and 12.4 below present details of agency receipts that are received by the department.

Table 12.3 : Details of agency receipts

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|----------|--------------------|------------------------|------------------|-----------------------|--------------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Agency receipt | 8 517 | 7 585 | - | 8 500 | 8 500 | 1 264 | 3 792 | 2 528 | - |
| South African Road Agency Limited (SANRAL) | 8 517 | 7 585 | - | 8 500 | 8 500 | 1 264 | 3 792 | 2 528 | - |
| Total | 8 517 | 7 585 | - | 8 500 | 8 500 | 1 264 | 3 792 | 2 528 | - |

Table 12.4 : Details of payments and estimates of agency receipts

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|----------|--------------------|------------------------|------------------|-----------------------|--------------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Agency receipt | 8 517 | 7 585 | - | 8 500 | 8 500 | 1 264 | 3 792 | 2 528 | - |
| South African Road Agency Limited (SANRAL) | 8 517 | 7 585 | - | 8 500 | 8 500 | 1 264 | 3 792 | 2 528 | - |
| Total | 8 517 | 7 585 | - | 8 500 | 8 500 | 1 264 | 3 792 | 2 528 | - |

The department receives funding from the South African National Roads Agency Limited (SANRAL), to cater for an extended overload control function on the national road network in the province.

In 2013/14, the department's contract with SANRAL expired, and the process of renewing the contract took longer than anticipated. The department indicated that SANRAL amended the contract to only pay for the number of vehicles weighed, which the department did not agree with and, as such, did not sign the contract and negotiated with SANRAL to revert to the old contract where SANRAL pays the salaries of the traffic officers undertaking the weighing, as well as all administrative costs, where applicable. The department could not reach an agreement with SANRAL, and this led to non-receipt of funds in 2013/14.

In 2014/15, the department anticipated to receive R8.500 million as per the *EPRE*. This was based on the contract the department had initially signed with SANRAL in 1999. The department signed the new contract at the end of November 2014 and, in terms of the current agreement, which differs considerably from the previous agreement, SANRAL indicated that only three weighbridges on the N3 corridor form part of the agreement, namely Westmead, Mkondeni and Midway. Under the new performance payment, SANRAL will remunerate in respect of the number of vehicles weighed. Thus, the formula is as follows: R150 per overloaded truck and R20 per legally loaded vehicle weighed. Based on the targets set for Midway (2 500), Mkondeni (1 500) and Westmead (750), the department will be remunerated R180 000, R88 500 and R47 500, respectively, per month. The anticipated payments that will be made therefore total R316 000 per month, which equates to R3.792 million for a year. Based on the revised contract by SANRAL, the department now projects to receive R948 000 per quarter as opposed to the R2.125 million based on the R8.500 million projection.

As such, the department will only receive R1.264 million in 2014/15 if the targets set are met, as the costs will purely be based on the number of vehicles weighed from December 2014 to March 2015, as shown in the 2014/15 Revised Estimate.

The reduction in allocation in 2016/17 in comparison to 2015/16 is ascribed to the contract being signed for two years only and it ends in November 2016, and this accounts for the low amount in 2016/17 in comparison to 2015/16. Thereafter, the department and SANRAL will review and renew the contract. As the department does not know the content of the new agreement, it could not determine the performance payment, hence there is no allocation in 2017/18.

5. Payment summary

This section summarises the payments and budget estimates for the vote in terms of programmes and economic classification. Details of the economic classification per programme are presented in *Annexure – Vote 12: Transport*.

5.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- National Treasury imposed fiscal consolidation cuts on the equitable share and conditional grant allocations of provinces for 2015/16 and 2016/17. In KZN, the bulk of the equitable share cut is absorbed by reducing the Contingency Reserve, stopping of the Strategic Cabinet Initiatives Fund, etc. As part of the fiscal consolidation, National Treasury has not provided any funding for the carry-through costs of the 2014 wage agreement, and the department therefore had to fund these by internal reprioritisation and lowering growth of non-essential item budgets.

- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2014/15, will continue to be adhered to over the 2015/16 MTEF, in conjunction with National Treasury Instruction 01 of 2013/14: Cost-containment measures. However, the provincial cost-cutting measures have been updated to include those that were adopted by the Committee of HODs (COHODs) in December 2014, and an updated circular has been reissued to departments and public entities.
- Provision was made for an inflationary wage adjustment of 5.6, 5.5 and 5 per cent for each of the three years of the 2015/16 MTEF, respectively. The department also provided for the 1.5 per cent pay progression. Provision has been made for the filling of vacant posts, while taking into account the moratorium on the filling of non-critical vacant posts. The incremental budgeting approach was used for the 2015/16 MTEF, as was the case in the 2014/15 MTEF. All inflation related increases are based on CPI projections.

5.2 Additional allocations for the 2013/14 to 2015/16 MTEF

Table 12.5 shows additional funding received by the department over the three MTEF periods: 2013/14, 2014/15 and 2015/16. Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants.

The purpose of such a table is two-fold. Firstly, it shows the quantum of additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated. The carry-through allocations for the 2013/14 and 2014/15 MTEF periods (i.e. for the financial year 2017/18) are based on the incremental percentage used in the 2015/16 MTEF.

Table 12.5 : Summary of additional provincial allocations for the 2013/14 to 2015/16 MTEF

| R thousand | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|---|---------------|-----------------|-----------------|-----------------|-----------------|
| 2013/14 MTEF period | 51 435 | (33 605) | (67 249) | (70 342) | (73 859) |
| Census data update and 1%, 2% and 3% baseline cuts | (73 380) | (165 035) | (204 725) | (214 142) | (224 849) |
| Learner transport (portion moved from Education) | 124 815 | 131 430 | 137 476 | 143 800 | 150 990 |
| 2014/15 MTEF period | | 104 147 | 113 952 | 120 089 | 126 093 |
| Re-grading of clerical staff | | 5 000 | 5 000 | 5 000 | 5 250 |
| Carry-through of previous wage agreements | | 9 352 | 18 058 | 20 867 | 21 910 |
| Road maintenance and construction projects | | 60 000 | 60 000 | 60 000 | 63 000 |
| Learner transport - final shift from Education | | 37 000 | 38 500 | 42 200 | 44 310 |
| Centralisation of communications budget under OTP | | (5 705) | (6 016) | (6 293) | (6 608) |
| Centralisation of external bursaries budget under OTP | | (1 500) | (1 590) | (1 685) | (1 769) |
| 2015/16 MTEF period | | | 10 529 | 571 | 600 |
| EPWP co-ordination moved to DOPW | | | (1 061) | (1 114) | (1 169) |
| Learner transport suspended from 2014/15 | | | 10 000 | - | - |
| Decentralisation of bursaries budget | | | 1 590 | 1 685 | 1 769 |
| Total | 51 435 | 70 542 | 57 232 | 50 318 | 52 834 |

In the 2013/14 MTEF, the department received funding relating to learner transport, suspended from Vote 5: Education. Also in the 2013/14 MTEF, National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced equitable share allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the department was a substantial reduction in the budget over the entire period.

In the 2014/15 MTEF, additional funding was allocated for the re-grading of clerical staff from level 4 to level 5 in line with DPSA requirements, as well as the carry-through of previous wage agreements. In addition, funding was allocated for road maintenance and construction projects. Also in the 2014/15 MTEF, funds were suspended from the department in respect of the centralisation of parts of the communications and external bursaries budgets under OTP. Again, additional funding was suspended from Vote 5: Education, being the final shift of funding in respect of learner transport services.

With regard to the 2015/16 MTEF, funds were suspended, relating to the function shift of the provincial co-ordination of EPWP from the department, to DOPW. In addition, an amount of R10 million, which was suspended in respect of the learner transport services in 2014/15 from the department, was reallocated back in 2015/16, as previously discussed. Also over the 2015/16 MTEF, the department was reallocated funds relating to the centralisation of the bursaries budget under OTP, as mentioned previously.

5.3 Summary by programme and economic classification

The services rendered by the department are categorised under five programmes, which are largely aligned to the uniform budget and programme structure of the Transport sector. The department's mission is to provide the public with integrated and accessible road and public transport infrastructure and to promote road and public transport safety, through the interaction of these five programmes. Tables 12.6 and 12.7 provide a summary of the vote's payments and budgeted estimates over the seven-year period, by programme and economic classification, respectively.

Table 12.6 : Summary of payments and estimates by programme: Transport

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|-------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 204 483 | 250 657 | 257 304 | 254 624 | 253 814 | 253 814 | 296 231 | 305 083 | 314 875 |
| 2. Transport Infrastructure | 4 948 311 | 5 766 900 | 5 990 958 | 6 877 668 | 6 827 918 | 6 827 918 | 6 831 409 | 7 102 491 | 7 504 014 |
| 3. Transport Operations | 887 181 | 1 012 986 | 1 143 133 | 1 184 123 | 1 253 412 | 1 253 412 | 1 409 008 | 1 481 406 | 1 566 708 |
| 4. Transport Regulation | 559 145 | 566 332 | 621 318 | 699 740 | 670 201 | 670 201 | 760 770 | 801 091 | 841 146 |
| 5. Community Based Programme | 40 735 | 53 433 | 42 474 | 44 440 | 45 540 | 45 540 | 44 039 | 45 588 | 47 868 |
| Total | 6 639 855 | 7 650 308 | 8 055 187 | 9 060 595 | 9 050 885 | 9 050 885 | 9 341 457 | 9 735 659 | 10 274 611 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (4 553) | (4 553) | - |
| Baseline available for spending after 1st charge | 6 639 855 | 7 650 308 | 8 055 187 | 9 060 595 | 9 050 885 | 9 050 885 | 9 336 904 | 9 731 106 | 10 274 611 |

Table 12.7 : Summary of payments and estimates by economic classification: Transport

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|-------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 3 408 533 | 3 802 271 | 3 947 180 | 5 050 727 | 4 428 768 | 4 351 886 | 5 084 333 | 5 273 987 | 5 594 768 |
| Compensation of employees | 1 100 404 | 1 176 174 | 1 266 775 | 1 507 280 | 1 355 698 | 1 347 937 | 1 657 756 | 1 762 384 | 1 899 783 |
| Goods and services | 2 308 129 | 2 626 096 | 2 680 332 | 3 543 447 | 3 073 070 | 3 003 940 | 3 426 577 | 3 511 603 | 3 694 985 |
| Interest and rent on land | - | 1 | 73 | - | - | 9 | - | - | - |
| Transfers and subsidies to: | 785 190 | 819 214 | 931 273 | 922 357 | 1 036 808 | 1 046 353 | 1 090 793 | 1 154 318 | 1 224 280 |
| Provinces and municipalities | 652 | 2 379 | 4 281 | 1 600 | 3 982 | 3 982 | 2 148 | 2 232 | 2 315 |
| Departmental agencies and accounts | - | - | - | - | 4 522 | 4 522 | 4 771 | 5 034 | 5 427 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 773 473 | 808 877 | 915 867 | 910 783 | 1 002 829 | 1 002 829 | 1 063 000 | 1 125 452 | 1 192 975 |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 11 065 | 7 958 | 11 125 | 9 974 | 25 475 | 35 020 | 20 874 | 21 600 | 23 563 |
| Payments for capital assets | 2 445 913 | 3 028 705 | 3 176 152 | 3 087 511 | 3 585 078 | 3 652 273 | 3 161 778 | 3 302 801 | 3 455 563 |
| Buildings and other fixed structures | 2 374 923 | 2 901 214 | 3 096 671 | 2 947 285 | 3 438 362 | 3 505 557 | 2 985 943 | 3 116 282 | 3 272 096 |
| Machinery and equipment | 68 247 | 123 986 | 75 151 | 140 226 | 145 623 | 145 230 | 175 835 | 186 519 | 183 467 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 2 743 | 3 505 | 4 330 | - | 1 093 | 1 486 | - | - | - |
| Payments for financial assets | 219 | 118 | 582 | - | 231 | 373 | 4 553 | 4 553 | - |
| Total | 6 639 855 | 7 650 308 | 8 055 187 | 9 060 595 | 9 050 885 | 9 050 885 | 9 341 457 | 9 735 659 | 10 274 611 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (4 553) | (4 553) | - |
| Baseline available for spending after 1st charge | 6 639 855 | 7 650 308 | 8 055 187 | 9 060 595 | 9 050 885 | 9 050 885 | 9 336 904 | 9 731 106 | 10 274 611 |

As explained previously, the department is liable for the repayment of previous year's over-expenditure, resulting in a first charge against the department's budget in 2015/16 and 2016/17 and this is reflected under Programme 1: Administration and against *Payments for financial assets*. This is shown as a footnote in Tables 12.6 and 12.7 above. The expenditure and budget over the period under review reflects healthy growth, as explained below.

Programme 1: Administration reflects steady growth over the period under review. The moratorium on the filling of vacant posts was lifted in February 2012, and the department filled critical posts, which

accounted for the increase in 2012/13 onward. The amount in 2013/14 was inflated by the over-expenditure in that year, which resulted from the higher than anticipated costs relating to computer services, communications, as well as lawyers' fees for the RTI Commission, among others. The department indicated that OTP paid the Commission's salaries and travel and subsistence only. This accounts for the decrease in the 2014/15 Main Appropriation. The slight reduction in the 2014/15 Adjusted Appropriation was a result of the slower than anticipated filling of vacant posts due to lengthy recruitment processes and the difficulty in finding suitable candidates, as well as resignations. The high growth over the 2015/16 MTEF relates mainly to inflationary growth, payments to the Construction Education and Training Authority (CETA) and the Transport Education and Training Authority (TETA) levies in terms of the Skills Development Act, the reallocation of the bursaries funds from OTP, as well as inflationary increases. Also, the 2015/16 and 2016/17 amounts include R4.553 million in each of the years, in respect of the first charge. These amounts are reflected against *Payments for financial assets*.

Programme 2: Transport Infrastructure reflects a steady increase over the seven-year period. The increase relates to the department's investment in the provincial road network. The increase in 2012/13 mainly relates to funds reprioritised from other programmes to provide for higher than anticipated capital expenditure, which resulted from the commencement of construction projects that were put on hold in 2011/12. In addition to the reprioritisation, amounts of R205 million and R19.921 million were allocated in 2012/13 in respect of the rehabilitation and upgrade of various roads and the EPWP Integrated Grant for Provinces, respectively. The growth in 2012/13 and 2013/14 was inflated by over-expenditure due to various construction projects that were undertaken. The decrease in the 2014/15 Adjusted Appropriation was due to funds reprioritised to Programme 3 to cater for the spending pressures relating to PTOG in respect of the bus subsidies claims, as explained. Programme 2 houses the Provincial Roads Maintenance conditional grant, as well as the EPWP Integrated Grant for Provinces. In line with National Treasury guidelines, an amount of R85.355 million (R55.114 million in the 2014/15 MTEF and R30.241 million in the 2015/16 MTEF) of the Provincial Roads Maintenance conditional grant has been ring-fenced in 2015/16 for repairs to road damage caused by disasters in the province. In addition, this grant sees a reduction of R207.495 million in 2015/16, R235.498 million in 2016/17 and R102.952 million in 2017/18 as a result of the fiscal consolidation cut implemented on the grant, as well as the fact that a portion of these funds will be allocated to SANRAL for the upgrade of the R573 Moloto road, which is expected to be transferred to SANRAL. This funding for the upgrade of the R573 Moloto road is contingent on the road being transferred from the relevant provinces (Gauteng, Mpumalanga and Limpopo) to SANRAL. The department also receives additional funding in 2015/16 with regard to the EPWP Integrated Grant for Provinces. This grant is allocated annually and is based on the previous year's performance, hence no funds are allocated in the two outer years of the 2015/16 MTEF, at this stage. Despite the fiscal consolidation cuts, the allocations over the period under review reflect healthy growth, mainly due to the substantial additional funding allocated in the previous MTEFs for the construction of new roads, the enhancement of law enforcement and road safety campaigns, as well as for the maintenance of the provincial road network.

Programme 3: Transport Operations reflects healthy growth specifically from 2012/13 onward. This allocation mainly relates to the PTOG for the payment of bus subsidies to bus operators, as well as learner transport services, which was moved from Vote 5: Education in 2011/12. The increase in 2013/14 relates to once-off funding allocated in respect of the PTOG to offset spending pressures. The pressures resulted from the under-funding of the grant, as well as the increase in fuel prices and labour costs, which have resulted in higher than anticipated claims in respect of the bus subsidies. Also, the PTOG is a Schedule 4 or supplementary grant, and provinces are meant to supplement the funding from the equitable share. In view of the financial cut backs facing the province, as well as the confirmation from National Treasury that no additional funding will be forthcoming, the department was told to reprioritise within its budget to fund the pressures. As such, the department reprioritised in the 2014/15 Adjustments Estimate, hence the increase in the 2014/15 Adjusted Appropriation, and over the 2015/16 MTEF. Further to the spending pressures facing the grant, the grant has also seen a fiscal consolidation reduction of R21.206 million in 2015/16 and R31.369 million in 2016/17, with a slight increase of R29.024 million in 2017/18. This has impacted negatively on the department's budget as it had to reprioritise from the maintenance and construction budget to supplement the grant.

Programme 4: Transport Regulation reflects steady growth over the seven-year period. The growth relates to the investment in the computerised licence testing system and an increase in law enforcement and road safety campaigns. As this programme caters for traffic officers, the bulk of the budget relates to personnel. The decrease in the 2014/15 Adjusted Appropriation is attributed to funds reprioritised to Programme 3 as a result of slower than anticipated filling of vacant posts and resignations. The growth over the MTEF is attributed to the enhancement of law enforcement, the anticipation that vacant posts will be filled, in line with the moratorium on the filling of non-critical vacant posts, as well as inflationary increments.

Programme 5: Community Based Programme reflects a fluctuating trend. The low 2011/12 amount was due to funds reprioritised to Programme 2 to provide for the higher than anticipated rehabilitation of roads. The decrease in 2013/14 was due to funds reprioritised to Programme 2 resulting from slower than anticipated filling of vacant posts, and resignations, to fast-track the upgrading of gravel roads to surfaced roads, and to complete some of the construction projects carried over from 2012/13. The slight increase in the 2014/15 Adjusted Appropriation relates to the higher than anticipated costs related to the transportation and training of the *Zibambele* contractors. The slight decrease in 2015/16 compared to 2014/15 can be attributed to the suspension of funds in respect of the shift of the provincial co-ordination of EPWP to DOPW. Comparative figures were not done due to the difficulty in extracting the information for the prior years.

Compensation of employees shows a steady increase over the seven-year period attributed to the filling of vacant posts, as well as the annual wage agreements. The decrease in the 2014/15 Adjusted Appropriation and the further decrease in the Revised Estimate was due to the slow filling of posts, as well as resignations. The savings were reprioritised to Programme 3 against *Transfers and subsidies to: Public corporations and private enterprises* in respect of higher than anticipated bus subsidy claims, as explained previously. The increase over the 2015/16 MTEF is in respect of filling vacant posts in line with the moratorium on the filling of non-critical posts, and the annual salary increments.

Goods and services reflects a steady increase, and includes the maintenance of the provincial road network, as well as the road safety awareness campaigns conducted. The reduction in the 2014/15 Adjusted Appropriation and Revised Estimate relates to funds reprioritised as a result of slow progress with regard to road maintenance work (re-gravelling and blading) due to tender appeals in the awarding of contracts, as well as the shortage of grader operators. This was moved to *Buildings and other fixed structures* for the fast-tracking of the upgrading of gravel roads to surfaced roads in order to avoid possible delays in the rainy season, as well as the completion of some construction projects carried over from 2013/14. Furthermore, funds were reprioritised to *Transfers and subsidies to: Public corporations and private enterprises* to cater for expenditure pressures related to the PTOG, as discussed. The decrease in 2015/16 and 2016/17 in comparison to the 2014/15 Main Appropriation relates to funds moved to Programme 1 in respect of the first charge, as well as the Provincial Roads Maintenance grant housed under this category over the MTEF. In addition, funds were suspended following the shifting of the provincial co-ordination of the EPWP function to DOPW. Also, a portion of the Provincial Roads Maintenance grant is earmarked in 2015/16 for repairs relating to flood damage to roads. This category also houses the EPWP Integrated Grant for Provinces and this allocation is made up to 2015/16, as the grant is allocated on an annual basis based on the previous year's performance.

Transfers and subsidies to: Provinces and municipalities shows a fluctuating trend and relates to the payment of motor vehicle licences. The fluctuation can be explained by the times that vehicles and plant are ordered and delivered for payment.

The allocations against *Transfers and subsidies to: Departmental agencies and accounts* are in respect of the payments to CETA and TETA levies in terms of the Skills Development Act. The department was required to set aside 30 per cent of 1 per cent of the *Compensation of employees* budget for training, and pay over to these agencies. This was not paid prior to 2014/15, as it was introduced late in 2013/14 by DPSA. It should be noted that the department no longer transfers funds to the Public Service Sector Education and Training Authority (PSETA) in line with a National Treasury Circular of 10 July 2014, which indicated that national departments applied for the creation of a single transfer to PSETA through DPSA. The result of this is that departments do not have to transfer funds to PSETA, unless such transfers are meant for a different purpose. Thus, the savings have been reprioritised to CETA and TETA.

The expenditure and budget against *Transfers and subsidies to: Public corporations and private enterprises* relate mainly to the PTOG, which is a conditional grant to provincial departments aimed at subsidising roads-based public transport services and to provide supplementary funding toward public transport services. The amounts in 2012/13 and 2013/14 are inflated by the over-expenditure of the grant. The increase in the 2014/15 Adjusted Appropriation was in respect of funds reprioritised to offset the spending pressures against the PTOG, as discussed. The increase over the 2015/16 MTEF relates mainly to the reprioritisation of funds to supplement the grant, as explained. Also, this category caters for the *Vukuzakhe* Emerging Contractors Association (VECA), who monitor the *Vukuzakhe* emerging contractors for compliance to norms and standards. The association is aimed at playing a pivotal role in the acceleration of empowerment and development of emerging contractors. The department committed itself to working together with the association in fast-tracking the development of emerging contractors through the provision of training and development support.

Transfers and subsidies to: Households caters mainly for staff exit costs, which fluctuate over the period due to the difficulty in forecasting accurately for this category as a result of its uncertain nature. The substantial increase in the 2014/15 Adjusted Appropriation and Revised Estimate relates to costs in respect of the RTI Commission, to cater for the nine applicants who were hospitalised as a result of the recruitment process that occurred in 2012/13, and the one applicant who was hospitalised for an extended period, as discussed. In addition, the higher than anticipated payment for the expropriation of land to land owners to compensate them for the use of their land for road construction, as well as the payment in respect of leave gratuities that are not predictable, contributed to the increase. The MTEF allocations cater for these items, as well as the funds reallocated to the department relating to the centralisation of the external bursaries budgets from OTP, as previously explained.

The category *Buildings and other fixed structures* reflects healthy growth over the seven-year period due to the increase in road construction work. The high amount in 2013/14 was attributed to the construction of roads that were put on hold in 2011/12, as explained previously. Also, the amount in 2013/14 is inflated due to over-expenditure and, hence the reduction in the 2014/15 Main Appropriation. The increase in the 2014/15 Adjusted Appropriation and the Revised Estimate relates to the higher than anticipated capital expenditure, as explained under Programme 2 above. The increase over the 2015/16 MTEF in comparison to the 2014/15 Main Appropriation is attributed to inflationary increments.

Machinery and equipment reflects a substantial increase in 2012/13, mainly due to the replacement of aged plant such as graders and tractors, computer equipment, vehicles, as well as the provision for the appointment of new staff, etc., and hence the drop in 2013/14. The substantial increase in 2014/15 and over the MTEF relates to additional plant to replace damaged and obsolete plant, as well as additional motor vehicles for the Law Enforcement unit. The increase in the 2014/15 Adjusted Appropriation was to cater for motor vehicles ordered in 2013/14 and only delivered and paid for in 2014/15.

The once-off amounts against *Software and other intangible assets* from 2011/12 to the 2014/15 Adjusted Appropriation relate to the upgrade of computer software licences such as Microsoft. This category is usually not budgeted for due to its unpredictable nature.

The amounts against *Payments for financial assets* from 2011/12 to the 2014/15 Adjusted Appropriation relate to claims (removal of vehicles) against the state, dishonoured cheques, salary over-payments, write-off of irrecoverable staff debts, among others. This category is not usually budgeted for due to its uncertain nature. The amounts in 2015/16 and 2016/17 are in respect of the first charge, as previously explained.

5.4 Summary of conditional grant payments and estimates

Tables 12.8 and 12.9 provide a summary of the conditional grant payments and budgeted estimates over the seven-year period, by grant name and economic classification, respectively. Detailed information on the conditional grants is presented in the *Annexure – Vote 12: Transport*.

Note that the historical figures in Tables 12.8 and 12.9 reflect actual expenditure per grant, and should not be compared to those figures reflected in Table 12.1, which represent the actual receipts for each grant.

Table 12.8 : Summary of conditional grants payments and estimates by name

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------------|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Transport Disaster Management grant | 29 736 | - | - | - | - | - | - | - | - |
| Public Transport Operations grant | 773 473 | 808 877 | 914 416 | 904 783 | 904 783 | 996 829 | 924 766 | 964 241 | 1 024 634 |
| EPWP Integrated Grant for Provinces | 117 415 | 84 211 | 88 487 | 59 443 | 59 443 | 59 443 | 55 602 | - | - |
| Provincial Roads Maintenance grant | 1 236 648 | 1 501 171 | 1 523 528 | 1 788 158 | 1 788 158 | 1 788 158 | 1 779 255 | 1 851 165 | 1 983 711 |
| Total | 2 157 272 | 2 394 259 | 2 526 431 | 2 752 384 | 2 752 384 | 2 844 430 | 2 759 623 | 2 815 406 | 3 008 345 |

Table 12.9 : Summary of conditional grants payments and estimates by economic classification

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 147 151 | 1 585 382 | 1 612 015 | 1 847 601 | 1 847 601 | 1 847 601 | 1 834 857 | 1 851 165 | 1 983 711 |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Goods and services | 147 151 | 1 585 382 | 1 612 015 | 1 847 601 | 1 847 601 | 1 847 601 | 1 834 857 | 1 851 165 | 1 983 711 |
| Other | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 773 473 | 808 877 | 914 416 | 904 783 | 904 783 | 996 829 | 924 766 | 964 241 | 1 024 634 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 773 473 | 808 877 | 914 416 | 904 783 | 904 783 | 996 829 | 924 766 | 964 241 | 1 024 634 |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 1 236 648 | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | 1 236 648 | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 2 157 272 | 2 394 259 | 2 526 431 | 2 752 384 | 2 752 384 | 2 844 430 | 2 759 623 | 2 815 406 | 3 008 345 |

There is a steady growth against the conditional grant allocation over the period under review, as explained per grant below:

- *Transport Disaster Management grant*: A once-off amount of R29.736 million was allocated against *Goods and services* in 2011/12 in respect of roads and infrastructure damage caused by floods in December 2010 and January 2011 in the South Coast area.
- *Public Transport Operations grant*: Funds are allocated against *Transfers and subsidies to: Public corporations and private enterprises* in respect of the PTOG for the payment of bus subsidies to bus operators. As previously explained, the high 2014/15 Revised Estimate against the grant is in respect of the higher than anticipated claims in respect of bus subsidies. The department has reprioritised funds from its equitable share to offset the pressures. The growth over the MTEF relates to inflationary increments. This grant has seen a reduction in 2015/16 and 2016/17 due to the fiscal consolidation cuts, with a slight increase in 2017/18. The department has reprioritised funds from its maintenance and construction budgets to supplement the grant.
- *EPWP Integrated Grant for Provinces*: Funds are allocated against *Goods and services* in respect of this grant, and are utilised for the creation of EPWP job opportunities. This grant is allocated on an annual basis, hence no funds are allocated in the two outer years of the 2015/16 MTEF, at this stage. The fluctuations over the period are purely based on the performance of the grant in previous years.
- *Provincial Roads Maintenance grant*: The grant allocation, which has increased significantly over the seven years, is in respect of maintenance and construction of road infrastructure in KZN. The allocations were reflected against *Buildings and other fixed structures* in 2011/12 for road construction. The grant funding was reclassified from 2012/13 onward under *Goods and services*, for

road maintenance work, as opposed to construction. As discussed, in line with National Treasury guidelines, an amount of R85.355 million of the grant allocation is ring-fenced in 2015/16 for repairs to roads damaged due to disasters in the province. In addition, this grant sees a reduction of R207.495 million in 2015/16, R235.498 million in 2016/17 and R102.952 million in 2017/18 as a result of the fiscal consolidation cuts on the grant, as well as the transfer of the R573 Moloto road to SANRAL, as previously explained.

5.5 Summary of infrastructure payments and estimates

Table 12.10 presents a summary of infrastructure payments and estimates by category for the vote. Note that the *Maintenance and repair: Current* category includes the salaries of the *Zimbabwe* contractors and other departmental staff that undertake maintenance.

A more detailed listing of infrastructure projects to be undertaken by the department can be found in the *Annexure – Vote 12: Transport*.

Table 12.10 : Summary of infrastructure payments and estimates by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Existing infrastructure assets | 4 371 601 | 5 141 442 | 5 354 838 | 6 350 535 | 6 127 099 | 6 160 602 | 6 181 552 | 6 428 079 | 6 820 738 |
| Maintenance and repair: Current | 2 388 729 | 2 666 236 | 2 709 259 | 3 759 593 | 3 114 089 | 3 028 287 | 3 564 126 | 3 699 845 | 3 956 093 |
| Upgrades and additions: Capital | 1 390 547 | 1 738 910 | 1 846 882 | 1 704 282 | 2 326 145 | 2 403 061 | 1 635 559 | 1 727 288 | 1 813 652 |
| Refurbishment and rehabilitation: Capital | 592 325 | 736 296 | 798 697 | 886 660 | 686 865 | 729 254 | 981 867 | 1 000 946 | 1 050 993 |
| New infrastructure assets: Capital | 392 051 | 426 008 | 451 092 | 356 343 | 425 352 | 373 242 | 368 517 | 388 048 | 407 451 |
| Infrastructure transfers | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Current | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Capital | - | - | - | - | - | - | - | - | - |
| Infrastructure: Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure: Leases | - | - | - | - | - | - | - | - | - |
| Total | 4 763 652 | 5 567 450 | 5 805 930 | 6 706 878 | 6 552 451 | 6 533 844 | 6 550 069 | 6 816 127 | 7 228 189 |
| <i>Capital infrastructure</i> | <i>2 374 923</i> | <i>2 901 214</i> | <i>3 096 671</i> | <i>2 947 285</i> | <i>3 438 362</i> | <i>3 505 557</i> | <i>2 985 943</i> | <i>3 116 282</i> | <i>3 272 096</i> |
| <i>Current infrastructure</i> | <i>2 388 729</i> | <i>2 666 236</i> | <i>2 709 259</i> | <i>3 759 593</i> | <i>3 114 089</i> | <i>3 028 287</i> | <i>3 564 126</i> | <i>3 699 845</i> | <i>3 956 093</i> |

The infrastructure expenditure and budget increase substantially over the seven-year period under review. This is due to the increase in construction and maintenance activities in respect of infrastructure investment in the province and various increased allocations in this regard.

Maintenance and repair: Current caters for routine, preventative, mechanical and other maintenance. The growth against this category relates to the maintenance of the existing road network, as well as repairs to roads and infrastructure damage caused by floods. The reduction in the 2014/15 Adjusted Appropriation and the Revised Estimate can be ascribed to funds reprioritised to *Upgrades and additions: Capital* and *Refurbishment and rehabilitation: Capital* to provide for the fast-tracking of the upgrading of gravel roads to surfaced roads and the completion of various construction projects carried over from 2012/13. This category also houses the Provincial Roads Maintenance grant, and the decrease in 2015/16 and 2016/17 in comparison to the 2014/15 Main Appropriation is ascribed to the substantial reduction in the grant over the MTEF, as explained previously. Also, portion of the grant is earmarked for repairs relating to flood damage to roads in 2015/16, as discussed.

The high growth in 2012/13 against *Upgrades and additions: Capital* was due to reprioritisation to provide for the commencement of construction projects that were put on hold in 2011/12, increased construction costs and the early commencement of construction projects due to good weather conditions. In addition, funds were allocated in respect of the rehabilitation and upgrade of various roads in 2012/13 only. The increase in 2013/14 relates to reprioritised funds from other programmes, as well as once-off additional funding allocated for road rehabilitation and construction backlogs, and accounts for the reduction in the 2014/15 Main Appropriation. The increase in the 2014/15 Adjusted Appropriation and the further increase in the Revised Estimate relates to the fast-tracking of the upgrading of gravel roads to surfaced roads in order to avoid possible delays in the rainy season, as well as the carry-over costs of some completed construction projects from 2013/14, accounting for the decrease in 2015/16. The growth over the MTEF is mainly due to inflationary increases.

Spending against *Refurbishment and rehabilitation: Capital* relates to the rehabilitation of roads undertaken. The high 2012/13 expenditure was in respect of the higher than anticipated rehabilitation of roads undertaken in line with a detailed technical analysis of KZN's road conditions. The increase in 2013/14 was to provide for the fast-tracking of the upgrading of gravel roads to surfaced roads in order to avoid possible delays in the rainy season, as well as the completion of various construction projects carried over from 2012/13, as previously explained. The reduction in the 2014/15 Adjusted Appropriation was due to road rehabilitation works that were not undertaken due to unfavourable dry weather. However, the department inadvertently reduced the category too much during the 2014/15 Adjustments Estimate, accounting for the increase in the Revised Estimate. The growth over the MTEF is in respect of the continuation of road rehabilitation, as well as inflationary increments.

New infrastructure assets: Capital fluctuates over the period and includes the construction of roads and upgrading of access roads (to clinics and schools) and pedestrian bridges. The low 2011/12 amount was due to internal reprioritisation to offset spending pressures against *Upgrades and additions: Capital* and *Refurbishment and rehabilitation: Capital* in respect of rehabilitation work undertaken, as explained previously. The expenditure in 2013/14 is inflated by over-expenditure relating to the completion of some sections of various construction projects carried over from 2012/13, accounting for the decrease in the 2014/15 Main Appropriation. The increase in the 2014/15 Adjusted Appropriation was to cater for the completion of some construction projects carried over from 2013/14, as well as to cater for escalation costs relating to new construction projects. However, the amount moved to this category was inadvertently too high, hence the decrease in the Revised Estimate, which will be moved back to *Refurbishment and rehabilitation: Capital*. The growth over the MTEF in comparison to the 2014/15 Main Appropriation is mainly due to inflationary increments.

5.6 Summary of Public Private Partnerships – Nil

5.7 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

5.8 Transfers to other entities

Table 12.11 below reflects departmental transfers to other entities.

Table 12.11 : Summary of departmental transfers to other entities

| R thousand | Sub-programme | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---------------|--------------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Bus operators | 3.2: Public Transport Services | 773 473 | 808 877 | 914 416 | 904 783 | 996 829 | 996 829 | 1 058 000 | 1 121 452 | 1 188 775 |
| VECA | 5.2: Community Development | - | - | 1 451 | 6 000 | 6 000 | 6 000 | 5 000 | 4 000 | 4 200 |
| Total | | 773 473 | 808 877 | 915 867 | 910 783 | 1 002 829 | 1 002 829 | 1 063 000 | 1 125 452 | 1 192 975 |

The expenditure and budget against Bus operators increase steadily over the period under review. The amounts relate to the PTOG for the payment of bus subsidies to operators. The expenditure in 2012/13 and 2013/14 are inflated by the over-expenditure of the grant, as discussed. The increase in the 2014/15 Adjusted Appropriation relates to reprioritisation to cater for the higher than anticipated claims on public transport subsidies, as previously mentioned. The increase over the 2015/16 MTEF mainly relates to funds reprioritised to cater for the under-funding of the grant, as well as increased claims by operators. Despite these spending pressures, this grant has been reduced in 2015/16 and 2016/17 due to the nationally implemented fiscal consolidation cuts, with a slight increase in 2017/18. As previously explained, the department has reprioritised funds from the maintenance and construction budget to supplement the grant. Thus, the amounts from the 2014/15 Adjusted Appropriation are different to the conditional grant allocations.

The amounts against VECA from 2013/14 are in respect of the monitoring of the *Vukuzakhe* emerging contractors for compliance to norms and standards. The association is aimed at playing a pivotal role in the acceleration of empowerment and development of emerging contractors. The department committed

itself to working together with the association in fast-tracking the development of emerging contractors through the provision of training and development support, accounting for the high allocation in 2014/15. According to the department, the declining amounts over the MTEF are in line with the operational plan submitted by the association.

5.9 Transfers to local government – Nil

The department makes no transfer payments to local government. Although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and hence the table reflecting transfers to local government is excluded.

5.10 Transfers and subsidies

Table 12.12 is a summary of spending on *Transfers and subsidies* by programme and main category.

Table 12.12 : Summary of transfers and subsidies by programme and main category

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|----------------|------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 2 354 | 1 454 | 2 270 | 6 901 | 11 761 | 11 761 | 13 715 | 14 450 | 16 545 |
| Provinces and municipalities | 8 | 30 | 14 | 30 | 78 | 78 | 78 | 82 | 86 |
| Motor vehicle licences | 8 | 30 | 14 | 30 | 78 | 78 | 78 | 82 | 86 |
| Departmental agencies and accounts | - | - | - | - | 4 522 | 4 522 | 4 771 | 5 034 | 5 427 |
| Departmental agencies (non-business entities) | - | - | - | - | 4 522 | 4 522 | 4 771 | 5 034 | 5 427 |
| Households | 2 346 | 1 424 | 2 256 | 6 871 | 7 161 | 7 161 | 8 866 | 9 334 | 11 032 |
| Other transfers to households | 732 | 1 017 | 1 226 | 6 539 | 6 829 | 6 829 | 8 521 | 8 983 | 9 432 |
| Social benefits | 1 614 | 407 | 1 030 | 332 | 332 | 332 | 345 | 351 | 1 600 |
| 2. Transport Infrastructure | 8 545 | 7 251 | 11 037 | 3 695 | 19 164 | 28 599 | 10 880 | 11 086 | 11 291 |
| Provinces and municipalities | 407 | 1 911 | 3 881 | 1 300 | 3 234 | 3 234 | 1 300 | 1 369 | 1 437 |
| Motor vehicle licences | 407 | 1 911 | 3 881 | 1 300 | 3 234 | 3 234 | 1 300 | 1 369 | 1 437 |
| Households | 8 138 | 5 340 | 7 156 | 2 395 | 15 930 | 25 365 | 9 580 | 9 717 | 9 854 |
| Other transfers to households | 4 279 | 99 | 1 969 | 1 095 | 8 069 | 17 504 | 560 | 590 | 620 |
| Social benefits | 3 859 | 5 241 | 5 187 | 1 300 | 7 861 | 7 861 | 9 020 | 9 127 | 9 234 |
| 3. Transport Operations | 773 484 | 808 916 | 914 505 | 904 798 | 997 075 | 997 185 | 1 058 015 | 1 121 468 | 1 188 792 |
| Provinces and municipalities | 11 | 12 | 1 | 15 | 15 | 15 | 15 | 16 | 17 |
| Motor vehicle licences | 11 | 12 | 1 | 15 | 15 | 15 | 15 | 16 | 17 |
| Public corporations and private enterprises | 773 473 | 808 877 | 914 416 | 904 783 | 996 829 | 996 829 | 1 058 000 | 1 121 452 | 1 188 775 |
| Bus operators | 773 473 | 808 877 | 914 416 | 904 783 | 996 829 | 996 829 | 1 058 000 | 1 121 452 | 1 188 775 |
| Households | - | 27 | 88 | - | 231 | 341 | - | - | - |
| Social benefits | - | 27 | 88 | - | 231 | 341 | - | - | - |
| 4. Transport Regulation | 807 | 1 592 | 2 003 | 958 | 2 803 | 2 803 | 3 178 | 3 309 | 3 447 |
| Provinces and municipalities | 226 | 426 | 385 | 250 | 650 | 650 | 750 | 760 | 770 |
| Motor vehicle licences | 226 | 426 | 385 | 250 | 650 | 650 | 750 | 760 | 770 |
| Households | 581 | 1 166 | 1 618 | 708 | 2 153 | 2 153 | 2 428 | 2 549 | 2 677 |
| Other transfers to households | 11 | 310 | 224 | 14 | 230 | 230 | 242 | 254 | 266 |
| Social benefits | 570 | 856 | 1 394 | 694 | 1 923 | 1 923 | 2 186 | 2 295 | 2 411 |
| 5. Community Based Programme | - | 1 | 1 458 | 6 005 | 6 005 | 6 005 | 5 005 | 4 005 | 4 205 |
| Provinces and municipalities | - | - | - | 5 | 5 | 5 | 5 | 5 | 5 |
| Motor vehicle licences | - | - | - | 5 | 5 | 5 | 5 | 5 | 5 |
| Public corporations and private enterprises | - | - | 1 451 | 6 000 | 6 000 | 6 000 | 5 000 | 4 000 | 4 200 |
| VECA | - | - | 1 451 | 6 000 | 6 000 | 6 000 | 5 000 | 4 000 | 4 200 |
| Households | - | 1 | 7 | - | - | - | - | - | - |
| Social benefits | - | 1 | 7 | - | - | - | - | - | - |
| Total | 785 190 | 819 214 | 931 273 | 922 357 | 1 036 808 | 1 046 353 | 1 090 793 | 1 154 318 | 1 224 280 |

It should be noted that R1.380 million was inadvertently allocated to Programme 1, against *Households* during the preparation of the 2014/15 *EPRE*. This was corrected during the 2014/15 Adjustments Estimate.

The category *Transfers and subsidies* reflects a fluctuating trend over the period under review:

- *Households* under all programmes caters for staff exit costs. This category in 2014/15 also includes the payment relating to the RTI Commission in Programme 1, in respect of the nine applicants who were hospitalised as a result of the recruitment process, as well as one applicant who was hospitalised for an extended period, as discussed.

- *Provinces and municipalities* against all programmes relates to the payment of motor vehicle licences.
- Under Programme 1, *Departmental agencies and accounts* caters for the payments to CETA and TETA. The payment to PSETA has been taken over by DPSA, as previously discussed, and the savings have been reprioritised to CETA and TETA.
- Under Programme 3, *Public corporations and private enterprises* is in respect of Bus operators relating to the PTOG for the payment of bus subsidies to operators.
- Under Programme 5, *Public corporations and private enterprises* relates to transfers to VECA for the monitoring of the *Vukuzakhe* emerging contractors for compliance to norms and standards. As previously discussed, the declining amounts over the MTEF are in line with the operational plan submitted by VECA.

6. Programme description

The services rendered by the department are categorised under five programmes, which largely conform to the uniform budget and programme structure of the Transport sector.

The payments and budgeted estimates for each programme are summarised in terms of economic classification, details of which are presented in the *Annexure – Vote 12: Transport*.

6.1 Programme 1: Administration

The purpose of this programme is to provide the department with overall management and administrative, strategic, financial and corporate support services in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner.

This includes publicly funded goods and services utilised for governance, management, research and administration, as well as for general office services such as cleaning and security services.

The programme consists of four sub-programmes in line with the sector specific budget format, namely: Office of the MEC, Management, Corporate Support, and Departmental Strategy.

Tables 12.13 and 12.14 below summarise payments and budgeted estimates relating to Programme 1 for the financial years 2011/12 to 2017/18.

As explained previously, the department is liable for the repayment of over-expenditure from 2013/14, resulting in a first charge of R4.553 million each in 2015/16 and 2016/17 against the department's budget. This is reflected under the sub-programme: Management, against *Payments for financial assets*, and the amounts available for spending in 2015/16 and 2016/17 have been reduced by the instalment amounts, as reflected in the footnote of Tables 12.13 and 12.14 below.

Table 12.13 : Summary of payments and estimates by sub-programme: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Office of the MEC | 11 172 | 11 330 | 10 063 | 12 530 | 12 530 | 12 137 | 14 209 | 14 643 | 15 314 |
| 2. Management | 8 274 | 7 568 | 7 254 | 10 150 | 10 150 | 9 902 | 15 153 | 15 715 | 11 720 |
| 3. Corporate Support | 171 094 | 215 721 | 227 814 | 211 284 | 211 574 | 213 202 | 245 999 | 252 749 | 264 766 |
| 4. Departmental Strategy | 13 943 | 16 038 | 12 173 | 20 660 | 19 560 | 18 573 | 20 870 | 21 976 | 23 075 |
| Total | 204 483 | 250 657 | 257 304 | 254 624 | 253 814 | 253 814 | 296 231 | 305 083 | 314 875 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (4 553) | (4 553) | - |
| Baseline available for spending after 1st charge | 204 483 | 250 657 | 257 304 | 254 624 | 253 814 | 253 814 | 291 678 | 300 530 | 314 875 |

Table 12.14 : Summary of payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 195 521 | 219 870 | 230 286 | 242 568 | 235 082 | 235 078 | 262 758 | 270 946 | 282 587 |
| Compensation of employees | 88 034 | 94 403 | 97 907 | 134 608 | 113 012 | 108 724 | 140 406 | 147 848 | 159 380 |
| Goods and services | 107 487 | 125 466 | 132 306 | 107 960 | 122 070 | 126 354 | 122 352 | 123 098 | 123 207 |
| Interest and rent on land | - | 1 | 73 | - | - | - | - | - | - |
| Transfers and subsidies to: | 2 354 | 1 454 | 2 270 | 6 901 | 11 761 | 11 761 | 13 715 | 14 450 | 16 545 |
| Provinces and municipalities | 8 | 30 | 14 | 30 | 78 | 78 | 78 | 82 | 86 |
| Departmental agencies and accounts | - | - | - | - | 4 522 | 4 522 | 4 771 | 5 034 | 5 427 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 2 346 | 1 424 | 2 256 | 6 871 | 7 161 | 7 161 | 8 866 | 9 334 | 11 032 |
| Payments for capital assets | 6 485 | 29 273 | 24 254 | 5 155 | 6 922 | 6 918 | 15 205 | 15 134 | 15 743 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 3 742 | 25 768 | 20 479 | 5 155 | 6 072 | 6 071 | 15 205 | 15 134 | 15 743 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 2 743 | 3 505 | 3 775 | - | 850 | 847 | - | - | - |
| Payments for financial assets | 123 | 60 | 494 | - | 49 | 57 | 4 553 | 4 553 | - |
| Total | 204 483 | 250 657 | 257 304 | 254 624 | 253 814 | 253 814 | 296 231 | 305 083 | 314 875 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (4 553) | (4 553) | - |
| Baseline available for spending after 1st charge | 204 483 | 250 657 | 257 304 | 254 624 | 253 814 | 253 814 | 291 678 | 300 530 | 314 875 |

Programme 1 shows a fluctuating trend over the period under review, mainly due to slower than anticipated filling of critical vacant posts, as well as reprioritisation to Programme 2 to cater for increased construction work.

The sub-programme: Office of the MEC shows a fairly steady increase over the period under review. The slight decrease in 2013/14 was attributed to cost-cutting in areas such as communication, stationery and printing, among others. The slight decrease in the 2014/15 Revised Estimate is attributed to slower than anticipated filling of vacant posts due to lengthy recruitment processes and the difficulty in finding suitable candidates. The increase over the MTEF relates to inflationary increments.

The decreasing trend from 2011/12 to 2013/14 against the sub-programme: Management relates to cost-cutting in areas such as subsistence and travelling, stationery and printing, among others. The decrease in the 2014/15 Revised Estimate relates to slower than anticipated filling of vacant posts, as explained. The high amounts in 2015/16 and 2016/17 include the first and second instalments of the first charge, and this accounts for the decrease in 2017/18.

The Corporate Support sub-programme increases substantially from 2012/13 onward mainly due to the above-budget wage increases, as well as the filling of vacant posts, when the internal moratorium on the filling of posts was lifted in 2012/13. The increase in 2013/14 resulted from various once-off projects such as the payments to SITA for the implementation of IT Governance Processes, the Electronic Content Management system, as well as the Government Wide Enterprise Architecture (GWEA) project, which were under-budgeted for. These projects relate to the implementation of audit recommendations in order to comply with legislative requirements of IT. In addition, the demolition of a water tower at head office, for safety reasons, which was not budgeted for, as well as higher than anticipated lawyers' fees for the RTI Commission, also contributed to the increase. The department indicated that OTP paid the Commission's salaries and travel and subsistence only. These were once-off and account for the decrease in the 2014/15 Main Appropriation. The slight increase in the 2014/15 Adjusted Appropriation and the Revised Estimate is to cater for higher than anticipated spending on campaigns in respect of the 20 years of democracy, which highlighted the key achievements of the department on radio stations and newspapers. The growth over the MTEF relates to the purchase of new and replacement vehicles for the departmental fleet, as well as inflationary increments.

The sub-programme: Departmental Strategy reflects a fluctuating trend. The high 2012/13 amount was mainly due to the filling of vacant posts. The decrease in 2013/14 was due to funds being moved, due to

resignations to Programme 2 for the fast-tracking of the upgrading of gravel roads to surfaced roads. The slight decrease in the 2014/15 Adjusted Appropriation and the further decrease in the Revised Estimate relates to resignations and non-filling of posts in line with the moratorium on the filling of non-critical posts. The increase over the MTEF relates to inflationary increments.

Compensation of employees reflects a fairly steady increase. The high 2014/15 Main Appropriation was due to the anticipation that vacant posts will be filled. However, due to the slower than anticipated filling of vacant posts and the moratorium on the filling of non-critical posts, funds were moved to other areas of spending pressures such as *Goods and services*, hence the reduction in the 2014/15 Adjusted Appropriation and the further decrease in the Revised Estimate. The increase over the MTEF is to cater for annual salary adjustments and the filling of posts, while bearing in mind the moratorium on the filling of non-critical posts.

The low spending against *Goods and services* in 2011/12 was due to cost-cutting. The increase from 2012/13 to 2013/14 was to cover the higher than anticipated costs of maintenance of the head office building, accounting for the drop in 2014/15. The increase in the 2014/15 Adjusted Appropriation and the further increase in the Revised Estimate relates to higher than anticipated spending on campaigns in respect of the 20 years of democracy, as mentioned. The growth over the MTEF in comparison to the 2014/15 Main Appropriation relates to inflationary increments.

The 2012/13 amount against *Interest and rent on land* was ascribed to interest paid on late amounts. The expenditure in 2013/14 was attributed to interest paid to SARS for overdue payments in respect of the *Zimbabwe* contractors and the *Vukuzakhe* emerging contractors. These contractors changed their banking details without informing the department on time. Thus, SARS charged interest on the overdue payments.

The expenditure and budget against *Transfers and subsidies to: Provinces and municipalities* are in respect of the payment of motor vehicle licences.

The amounts from the 2014/15 Adjusted Appropriation onward against *Transfers and subsidies to: Departmental agencies and accounts* relate to the payments to CETA and TETA in respect of the levies in terms of the Skills Development Act. As explained, the department will no longer make payment to PSETA as the national departments will make payments to them through DPSA. The savings have been reprioritised to CETA and TETA.

Transfers and subsidies to: Households caters mainly for staff exit costs which fluctuate over the period. The amount in the 2014/15 Adjusted Appropriation includes the costs relating to the RTI Commission in respect of the recruitment process, as mentioned.

The amounts against *Machinery and equipment* are mainly in respect of computer and office equipment, vehicles, etc., that are damaged or obsolete, as well as for equipment for new staff. The low amount in 2011/12 was due to cost-cutting. The substantial increase in 2012/13 and 2013/14 was in respect of once-off purchase of replacement and obsolete equipment and vehicles, accounting for the decrease in the 2014/15 Main Appropriation. The slight increase in the 2014/15 Adjusted Appropriation was to cater for motor vehicles ordered in 2013/14 and only delivered and paid for in 2014/15. There is a steady increase over the MTEF.

The amounts against *Software and other intangible assets* from 2011/12 to the 2014/15 Adjusted Appropriation relate to upgrades of computer software licences such as Microsoft.

Payments for financial assets relates to write-off of irrecoverable staff debts. The amounts in 2015/16 and 2016/17 are in respect of the first and second instalments of the first charge relating to 2013/14 unauthorised expenditure.

6.2 Programme 2: Transport Infrastructure

The purpose of this programme is to promote accessibility and the safe, affordable movement of people, goods and services through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social empowerment and

economic growth. This programme includes all expenditure of a current and capital nature relating to the planning, design, construction, rehabilitation, maintenance and repair of all infrastructure, supporting all modes of transport. It also includes project expenditure on the EPWP done in support of the infrastructure provision.

The programme consists of five sub-programmes in line with the sector specific budget format, namely: Programme Support Infrastructure, Infrastructure Planning, Infrastructure Design, Construction and Maintenance.

Tables 12.15 and 12.16 below summarise the payments and budgeted estimates relating to Programme 2 for the financial years 2011/12 to 2017/18. There has been a significant increase in the level of funding allocated to this programme over the seven-year period under review.

Table 12.15 : Summary of payments and estimates by sub-programme: Transport Infrastructure

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------------|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Programme Support Infrastructure | 131 286 | 141 624 | 138 153 | 133 140 | 192 094 | 209 225 | 204 620 | 208 403 | 214 732 |
| 2. Infrastructure Planning | 36 328 | 40 286 | 27 496 | 22 480 | 49 480 | 49 480 | 51 548 | 52 132 | 53 032 |
| 3. Infrastructure Design | 17 045 | 17 540 | 19 379 | 15 170 | 26 970 | 26 970 | 26 472 | 27 198 | 28 657 |
| 4. Construction | 2 374 923 | 2 901 214 | 3 096 671 | 2 947 285 | 3 445 285 | 3 513 956 | 2 985 943 | 3 116 282 | 3 272 096 |
| 5. Maintenance | 2 388 729 | 2 666 236 | 2 709 259 | 3 759 593 | 3 114 089 | 3 028 287 | 3 562 826 | 3 693 923 | 3 935 497 |
| Total | 4 948 311 | 5 766 900 | 5 990 958 | 6 877 668 | 6 827 918 | 6 827 918 | 6 831 409 | 7 097 938 | 7 504 014 |

Table 12.16 : Summary of payments and estimates by economic classification: Transport Infrastructure

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 2 539 227 | 2 761 663 | 2 846 087 | 3 824 790 | 3 263 654 | 3 186 536 | 3 710 800 | 3 846 694 | 4 094 657 |
| Compensation of employees | 601 843 | 647 501 | 690 481 | 794 192 | 723 586 | 723 586 | 897 342 | 961 509 | 1 036 507 |
| Goods and services | 1 937 384 | 2 114 162 | 2 155 606 | 3 030 598 | 2 540 068 | 2 462 950 | 2 813 458 | 2 885 185 | 3 058 150 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 8 545 | 7 251 | 11 037 | 3 695 | 19 164 | 28 599 | 10 880 | 11 086 | 11 291 |
| Provinces and municipalities | 407 | 1 911 | 3 881 | 1 300 | 3 234 | 3 234 | 1 300 | 1 369 | 1 437 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 8 138 | 5 340 | 7 156 | 2 395 | 15 930 | 25 365 | 9 580 | 9 717 | 9 854 |
| Payments for capital assets | 2 400 501 | 2 997 928 | 3 133 763 | 3 049 183 | 3 544 983 | 3 612 644 | 3 109 729 | 3 240 158 | 3 398 066 |
| Buildings and other fixed structures | 2 374 923 | 2 901 214 | 3 096 671 | 2 947 285 | 3 438 362 | 3 505 557 | 2 985 943 | 3 116 282 | 3 272 096 |
| Machinery and equipment | 25 578 | 96 714 | 36 537 | 101 898 | 106 378 | 106 448 | 123 786 | 123 876 | 125 970 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | 555 | - | 243 | 639 | - | - | - |
| Payments for financial assets | 38 | 58 | 71 | - | 117 | 139 | - | - | - |
| Total | 4 948 311 | 5 766 900 | 5 990 958 | 6 877 668 | 6 827 918 | 6 827 918 | 6 831 409 | 7 097 938 | 7 504 014 |

The amounts against the sub-programme: Programme Support Infrastructure can be attributed to the provision of administrative functions, such as planning and design of construction projects for all regions. The decrease in 2013/14 was due to lower than anticipated costs for administrative functions for all regions in respect of roads and other construction costs, as well as non-filling of vacant posts and resignations. This resulted in a further decrease in the 2014/15 Main Appropriation. The substantial increase in the 2014/15 Adjusted Appropriation and the Revised Estimate is to cater for the higher than anticipated expenditure relating to consultation services in respect of programme management for maintenance and construction projects. The consultants ensure the delivery of infrastructure according to agreed quality standards, timelines and budget, as well as address systematic deficiencies and challenges within the delivery system, which includes preparing high level reports, innovative process design, monitoring and evaluation, training workshops, among others. This has contributed to the growth over the MTEF, which also caters for the filling of posts.

The high amounts in 2011/12 and 2012/13 against the Infrastructure Planning sub-programme relate to provision in respect of the integrated modal transport facilities such as IPTNs. The decrease in 2013/14 was due to funds reprioritised to the sub-programme: Maintenance due to the emphasis placed on the maintenance of the provincial road network. The substantial increase in the 2014/15 Adjusted Appropriation and over the MTEF can be attributed to reprioritisation from the sub-programme: Maintenance in respect of the above-mentioned consultation services relating to the planning of maintenance and construction projects, as discussed. Provision is made over the MTEF for the integrated modal transport facilities.

With regard to the Infrastructure Design sub-programme, the high 2014/15 Adjusted Appropriation, which continues over the MTEF, is in respect of reprioritisation from the sub-programme: Maintenance to cater for the above-mentioned consultation services relating to the design of maintenance and construction projects, as explained.

The Construction sub-programme caters for all road construction, upgrade and rehabilitation. There is a fairly steady growth from 2011/12 onward. The growth from 2011/12 to 2013/14 is high because of over-expenditure relating to various construction projects and repairs to roads damaged by floods. The substantial increase in 2012/13 relates to higher than anticipated construction expenditure, which resulted from the commencement of construction projects that were put on hold in 2011/12, as well as increased construction costs. In addition, once-off funding was allocated in respect of rehabilitation and upgrade of various roads in 2012/13, including the upgrade of 44.5 kilometres of gravel roads to blacktop roads and the construction of one pedestrian bridge. The increase in 2013/14 was ascribed to the fast-tracking of the upgrading of gravel roads to surfaced roads, as well as once-off funding for road rehabilitation and construction backlogs, hence the drop in the 2014/15 Main Appropriation. The increase in the 2014/15 Adjusted Appropriation and Revised Estimate relates to the fast-tracking of the upgrading of gravel roads to surfaced roads in order to avoid possible delays in the rainy season, as well as the carry-over costs of some completed construction projects from 2013/14, hence the drop in 2015/16. The growth over the MTEF in comparison to the 2014/15 Main Appropriation is due to inflationary increments. This also explains the trend against *Buildings and other fixed structures* over the period under review.

The sub-programme: Maintenance reflects healthy growth, particularly from 2012/13 onward. This sub-programme caters mainly for the maintenance of the provincial road network. The decrease in the 2014/15 Adjusted Appropriation and Revised Estimate was due to slow progress with regard to road maintenance work, as previously explained. This category houses the Provincial Road Maintenance grant, as well as the EPWP Integrated Grant for Provinces, which is allocated annually, as discussed. The Provincial Road Maintenance grant sees a substantial reduction over the MTEF due to the fiscal consolidation cuts on the grant, as well as the funds that will be shifted to SANRAL in respect of the upgrade of the Moloto road, resulting in the decrease in 2015/16 and 2016/17. Portion of the grant has been ring-fenced in 2015/16 to cater for flood damage to roads. This also explains the trend against *Goods and services*.

Compensation of employees reflects a steady increase, with a reduction in the 2014/15 Adjusted Appropriation due to non-filling of vacant posts and resignations. The savings were moved to *Buildings and other fixed structures* within Programme 2 to offset spending pressures, as discussed above.

Transfers and subsidies to: Households caters mainly for staff exit costs, which fluctuate over the period. The high 2014/15 Adjusted Appropriation and Revised Estimate was ascribed to higher than anticipated payment relating to the expropriation of land to land owners to compensate them for the use of their land for road construction. In addition, the payments in respect of leave gratuities, as well as injury on duty and claims against the state by individuals are included here.

Machinery and equipment reflects a substantial increase in 2012/13 mainly due to a once-off provision for additional and replacement of vehicles and plant, resulting in the decrease in 2013/14. The substantial increase from 2014/15 is for the replacement of motor vehicles, trucks, as well as aged plant such as graders and tractors. The increase in the 2014/15 Adjusted Appropriation was to cater for the payment of replacement motor vehicles, as well as the procurement of new mechanical plant and trucks, which were higher than anticipated. The increase over the MTEF relates to the provision for additional plant and vehicles, as well as inflationary increments.

The once-off amounts against *Software and other intangible assets* were for the purchase of the Civil Engineering Designer software. This is a civil design and documentation solution that supports Building Information Modelling (BIM) workflows. The software is used by infrastructure professionals to better understand project performance, maintain more consistent data and processes, and respond faster to change. The increase in the 2014/15 Revised Estimate was due to the higher than anticipated costs of the software.

Payments for financial assets relates to the write-off of irrecoverable staff debts.

Service delivery measures – Programme 2: Transport Infrastructure

Table 12.17 illustrates some of the main service delivery measures pertaining to Programme 2. The performance indicators provided comply fully with the customised measures for the Transport sector. The targets indicated as “n/a” means that the target is completed, and the department is in the process of reviewing them.

It is noted that almost all the targets over the MTEF have remained constant and, in some cases, are decreasing. This can be attributed to the various budget cuts against the vote. The department has factored in the cost-of-living adjustments and, with increasing costs, especially in the construction industry, it is impractical to increase targets over the MTEF. The department has also factored in staff constraints that hinder activities in some programmes.

Table 12.17 : Service delivery measures – Programme 2: Transport Infrastructure

| Outputs | Performance indicators | Estimate performance | Medium-term targets | | |
|------------------------------------|--|---|---|---|---|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 2. Transport Infrastructure | | | | | |
| 2.1 Construction | <ul style="list-style-type: none"> No. of lane-km of new surfaced roads constructed No. of kilometres of new gravel roads constructed No. of square metres of surfaced road upgraded No. of kilometres of gravel roads upgraded to surfaced roads No. of square metres of non-motorised transport facility constructed No. of bridges constructed No. of pedestrian bridges constructed No. of designs of integrated public transport networks No. of public transport infrastructure projects implemented | 1 255 32 900 78 30 000 7 13 3 1 | n/a 240 32 900 74 25 000 7 13 n/a 1 | n/a 230 32 900 74 25 000 7 13 n/a 1 | n/a 215 32 900 74 25 000 7 13 n/a 1 |
| 2.2 Maintenance | <ul style="list-style-type: none"> No. of square metres of surfaced roads rehabilitated No. of square metres of surfaced roads resealed No. of kilometres of roads re-gravelled No. of square metres of blacktop patching (including pothole repairs) No. of kilometres of gravel roads bladed No. of kilometres of surfaced roads assessed as per the applicable TMH manual No. of kilometres of gravel roads visually assessed as per the applicable TMH manual Kilometres maintained by <i>Zimbabwe</i> contractors | 2 544 000 2 200 000 2 540 240 000 100 000 3 670 8 190 26 650 | 3 504 000 2 700 000 2 700 240 000 120 000 3 750 8 445 26 650 | 3 504 000 2 700 000 2 700 240 000 120 000 3 750 8 445 26 650 | 3 504 000 2 700 000 2 700 240 000 120 000 3 750 8 445 26 650 |

6.3 Programme 3: Transport Operations

The purpose of this programme is to plan, regulate and facilitate the provision of integrated land transport services through co-ordination and co-operation with national planning authorities, community-based organisation (CBOs), non-governmental organisations (NGOs), and the private sector in order to enhance the mobility of all communities particularly those currently without or with limited access. This includes all costs involved in public transport management and service delivery including the planning, co-ordination of the operator in the transport industry.

The programme consists of three sub-programmes largely in line with the sector specific budget format, namely: Programme Support Operations, Public Transport Services and Transport Safety and Compliance.

The main functions of this programme include the development of policies and plans for public and freight transport service and supporting infrastructure, the regulation of public and freight transport services, and the enforcement of legislation in respect of public transport.

Tables 12.18 and 12.19 summarise payments and estimates relating to Programme 3 for the period 2011/12 to 2017/18. Programme 3 reflects a fairly stable increase over the seven-year period.

Table 12.18 : Summary of payments and estimates by sub-programme: Transport Operations

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|------------------------------------|-----------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Programme Support Operations | 20 410 | 38 430 | 26 311 | 12 990 | 20 158 | 24 236 | 24 795 | 25 289 | 26 045 |
| 2. Public Transport Services | 800 499 | 901 765 | 1 045 549 | 1 095 323 | 1 159 912 | 1 159 912 | 1 307 291 | 1 377 284 | 1 459 779 |
| 3. Transport Safety and Compliance | 66 272 | 72 791 | 71 273 | 75 810 | 73 342 | 69 264 | 76 922 | 78 833 | 80 884 |
| Total | 887 181 | 1 012 986 | 1 143 133 | 1 184 123 | 1 253 412 | 1 253 412 | 1 409 008 | 1 481 406 | 1 566 708 |

Table 12.19 : Summary of payments and estimates by economic classification: Transport Operations

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 113 658 | 203 975 | 228 517 | 279 049 | 256 061 | 255 951 | 350 700 | 359 629 | 377 592 |
| Compensation of employees | 24 835 | 26 704 | 28 939 | 42 445 | 31 214 | 31 214 | 44 991 | 47 376 | 51 071 |
| Goods and services | 88 823 | 177 271 | 199 578 | 236 604 | 224 847 | 224 728 | 305 709 | 312 253 | 326 521 |
| Interest and rent on land | - | - | - | - | - | 9 | - | - | - |
| Transfers and subsidies to: | 773 484 | 808 916 | 914 505 | 904 798 | 997 075 | 997 185 | 1 058 015 | 1 121 468 | 1 188 792 |
| Provinces and municipalities | 11 | 12 | 1 | 15 | 15 | 15 | 15 | 16 | 17 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 773 473 | 808 877 | 914 416 | 904 783 | 996 829 | 996 829 | 1 058 000 | 1 121 452 | 1 188 775 |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | 27 | 88 | - | 231 | 341 | - | - | - |
| Payments for capital assets | 39 | 95 | 111 | 276 | 276 | 276 | 293 | 309 | 324 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 39 | 95 | 111 | 276 | 276 | 276 | 293 | 309 | 324 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 887 181 | 1 012 986 | 1 143 133 | 1 184 123 | 1 253 412 | 1 253 412 | 1 409 008 | 1 481 406 | 1 566 708 |

The amounts reflected against the sub-programme: Programme Support Operations relate to the designs of the learner transport services. The low 2011/12 amount was due to cost-cutting. The high amounts in 2012/13 and 2013/14 provided for the designs relating to learner transport services, and hence the decrease in the 2014/15 Main Appropriation. However, due to the ongoing design processes, further funds were reprioritised in the 2014/15 Adjusted Appropriation and Revised Estimate. The growth over the MTEF is mainly in this regard, as well as inflationary increments.

The sub-programme: Public Transport Services mainly caters for the PTOG relating to the payments of bus subsidies to operators. This sub-programme reflects a steady increase from 2012/13 onward due to the growth of the grant, as well as funds allocated for learner transport services which the department took over in 2011/12. The growth in 2012/13 and 2013/14 is inflated by over-expenditure relating to the PTOG, as explained. The increase in the 2014/15 Adjusted Appropriation relates to funds reprioritised to offset spending pressures in respect of the grant. The increase was offset by the suspension of R10 million to 2015/16, in respect of learner transport services, as previously discussed. The increase over the 2015/16 MTEF is mainly due to funds reprioritised from other programmes to supplement the grant, as previously

explained. This grant decreases in 2015/16 and 2016/17 related to fiscal consolidation cuts, with a slight increase in 2017/18.

The sub-programme: Transport Safety and Compliance reflects an increasing trend over the period under review. The slight decrease in 2013/14 was due to cost-cutting. The increase in the 2014/15 Main Appropriation and over the MTEF is in relation to the filling of posts following the completion of the review into the organisational structure. The decrease in the 2014/15 Adjusted Appropriation and Revised Estimate was attributed to slower than anticipated filling of vacant posts, as well as resignations. The increase over the MTEF also caters for inflationary increments.

Compensation of employees reflects a steady increase over the period under review. The reduction in the 2014/15 Adjusted Appropriation was attributed to slower than anticipated filling of posts, as well as resignations. The funds were reprioritised to Programme 2 in respect of spending pressures. The growth over the 2015/16 MTEF relates mainly to the anticipated filling of posts in line with the moratorium on the filling of non-critical vacant posts, as well as inflationary increments.

The low amount against *Goods and services* in 2011/12 was due to cost-cutting to offset spending pressures in Programme 2. The growth from 2012/13 onward relates to the additional funding allocated in respect of various public transport services (such as learner transport services). The reduction in the 2014/15 Adjusted Appropriation relates to funds suspended to 2015/16 associated with learner transport services, as indicated above. The growth over the MTEF relates to allocations in respect of learner transport services, public transport facilities such as IPTN in support of the Taxi Recapitalisation Programme that will be undertaken, as well as inflationary increments.

The expenditure and budget against *Transfers and subsidies to: Provinces and municipalities* are in respect of the payment of motor vehicle licences.

Transfers and subsidies to: Public corporations and private enterprises shows a fairly steady growth over the period under review. This category mainly caters for the PTOG. This grant has experienced substantial spending pressures in the past few years mainly due to the under-funding of the grant since its inception, as well as the increase in fuel prices and labour costs, which have resulted in higher than anticipated claims in respect of the bus subsidies. Also, the PTOG is a Schedule 4 or supplementary grant, and provinces are meant to supplement the funding from the equitable share. In view of the financial cut backs facing the province, as well as confirmation from National Treasury that no additional funding will be forthcoming, the department was told to reprioritise within its budget to fund the pressures and, as such, the department undertook various virements to offset the spending pressures, hence the increase in the 2014/15 Adjusted Appropriation and over the MTEF. The increase was offset to an extent by the reduction in the grant in 2015/16 and 2016/17 in line with National Treasury's fiscal consolidation cuts, as previously explained.

Transfers and subsidies to: Households caters mainly for staff exit costs, which fluctuate over the period due to the difficulty in forecasting accurately for this category as a result of its uncertain nature.

The amounts against *Machinery and equipment* are in respect of the replacement of computer equipment, office equipment etc., that are damaged or obsolete. The growth over the 2015/16 MTEF relates to inflationary increments.

Service delivery measures – Programme 3: Transport Operations

Table 12.20 below illustrates some of the main service delivery measures applicable to Programme 3. The performance indicators provided comply fully with the customised measures for the Transport sector.

The performance target “new” in the 2014/15 Estimated performance illustrates that the indicator did not exist in 2014/15, and that it is a new indicator from 2015/16 onward. The Transport sector reviewed its service delivery measures for 2015/16, and hence the new target included.

It is noted that almost all the targets over the MTEF have remained constant and, in some cases, are decreasing. This can be attributed to the various budget cuts against the vote, as mentioned earlier.

Table 12.20 : Service delivery measures – Programme 3: Transport Operations

| Outputs | Performance indicators | Estimate performance | Medium-term targets | | |
|-------------------------------------|--|----------------------|---------------------|------------|------------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 3. Transport Operations | | | | | |
| 3.1 Public Transport Services | • No. of vehicles subsidised | 1 320 | 1 320 | 1 320 | 1 320 |
| | • No. of routes subsidised | 1 710 | 1 710 | 1 710 | 1 710 |
| | • No. of vehicle kilometres subsidised | 41 888 710 | 41 888 710 | 41 888 710 | 41 888 710 |
| | • No. of kilometres operated per vehicle | 31 570 | 31 730 | 31 730 | 31 730 |
| | • No. of passengers per vehicle | 4 260 | 4 340 | 4 430 | 4 520 |
| | • No. of passengers per trip operated | 57 | 58 | 59 | 60 |
| | • No. of staff per vehicle | 2.1 | 2.2 | 2.2 | 2.2 |
| | • No. of subsidised passengers | 142 680 | 145 530 | 148 440 | 151 410 |
| | • No. of unsubsidised passengers | 22 820 | 23 270 | 23 740 | 24 210 |
| | • No. of trips subsidised | 1 198 870 | 1 198 870 | 1 198 870 | 1 198 870 |
| | • No. of trips monitored | 839 210 | 839 210 | 839 210 | 839 210 |
| | • % of trips monitored | 70% | 70% | 70% | 70% |
| | • Subsidy per passenger | R14.66 | R15.40 | R16.17 | R16.17 |
| | • No. of passenger trips subsidies | 67 879 790 | 67 879 790 | 67 879 790 | 67 879 790 |
| | • No. of schools receiving learner transport services | 226 | 226 | 226 | 226 |
| | • No. of learners transported | 21 760 | 21 760 | 21 760 | 21 760 |
| | • No. of PRE hearings conducted (annual) | New | 192 | 192 | 192 |
| 3.2 Transport Safety and Compliance | • No. of road safety awareness interventions conducted | 5 | 5 | 5 | 5 |
| | • No. of schools involved in road safety education prog. | 1 000 | 1 060 | 1 130 | 1 190 |
| | • No. of school children reached | 249 000 | 264 000 | 279 000 | 296 000 |
| | • No. of adults reached | 43 800 | 112 000 | 119 000 | 126 000 |
| | • No. of crossing patrols provided | 143 | 143 | 143 | 143 |

6.4 Programme 4: Transport Regulation

The purpose of this programme is to ensure the provision of a safe transport environment through the regulation of traffic on public infrastructure, law enforcement, implementation of road safety education and awareness programmes and the registration and licensing of vehicles and drivers. This includes all costs related to overall management of road traffic and safety in the province.

The programme consists of four sub-programmes in line with the sector specific budget format, namely: Programme Support Regulation, Transport Administration and Licensing, Operator Licences and Permits and Law Enforcement.

Tables 12.21 and 12.22 below summarise payments and estimates relating to Programme 4 for the period 2011/12 to 2017/18.

Table 12.21 : Summary of payments and estimates by sub-programme: Transport Regulation

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Programme Support Regulation | 272 | 346 | 247 | 5 000 | 520 | 442 | 5 000 | 5 265 | 5 742 |
| 2. Transport Administration and Licensing | 119 263 | 103 272 | 100 044 | 113 440 | 110 320 | 107 025 | 116 770 | 121 409 | 128 407 |
| 3. Operator Licences and Permits | 27 362 | 39 584 | 43 693 | 25 170 | 32 770 | 40 157 | 35 155 | 36 068 | 37 787 |
| 4. Law Enforcement | 412 248 | 423 130 | 477 334 | 556 130 | 526 591 | 522 577 | 603 845 | 638 349 | 669 210 |
| Total | 559 145 | 566 332 | 621 318 | 699 740 | 670 201 | 670 201 | 760 770 | 801 091 | 841 146 |

Table 12.22 : Summary of payments and estimates by economic classification: Transport Regulation

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 519 395 | 563 339 | 601 322 | 666 270 | 634 821 | 634 821 | 721 449 | 751 012 | 796 721 |
| Compensation of employees | 375 061 | 395 032 | 437 146 | 515 620 | 475 171 | 471 362 | 553 258 | 582 581 | 627 956 |
| Goods and services | 144 334 | 168 307 | 164 176 | 150 650 | 159 650 | 163 459 | 168 191 | 168 431 | 168 765 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 807 | 1 592 | 2 003 | 958 | 2 803 | 2 803 | 3 178 | 3 309 | 3 447 |
| Provinces and municipalities | 226 | 426 | 385 | 250 | 650 | 650 | 750 | 760 | 770 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 581 | 1 166 | 1 618 | 708 | 2 153 | 2 153 | 2 428 | 2 549 | 2 677 |
| Payments for capital assets | 38 888 | 1 401 | 17 979 | 32 512 | 32 512 | 32 400 | 36 143 | 46 770 | 40 978 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 38 888 | 1 401 | 17 979 | 32 512 | 32 512 | 32 400 | 36 143 | 46 770 | 40 978 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 55 | - | 14 | - | 65 | 177 | - | - | - |
| Total | 559 145 | 566 332 | 621 318 | 699 740 | 670 201 | 670 201 | 760 770 | 801 091 | 841 146 |

The low spending against the Programme Support Regulation sub-programme from 2011/12 to 2013/14, as well as the 2014/15 Adjusted Appropriation, can be ascribed to funds moved due to slower than anticipated filling of vacant posts, as well as resignations. The allocations over the MTEF are in line with the expansion of the component as a result of the restructuring, taking into account the moratorium on the filling of non-critical posts.

The sub-programme: Transport Administration and Licensing fluctuates over the period under review, and caters for the registration and licensing of vehicles and drivers. The decrease in 2012/13 relates to the unanticipated delays in the replacement of a damaged roof of the Motor Transport Services building, as the building is a landmark building of historical significance, which cannot be altered without the approval of Amafa aKwaZulu-Natali. The funds were reprioritised to Programme 2 in respect of higher than anticipated construction expenditure. The further decrease in 2013/14 can be attributed to non-filling of vacant posts. The decrease in the 2014/15 Adjusted Appropriation and Revised Estimate relates to slower than anticipated filling of vacant posts, as well as resignations. The increase over the MTEF is to cater for annual salary adjustments and the filling of posts, as well as inflationary increases.

The sub-programme: Operator Licences and Permits includes consultant fees for the implementation of the consolidated public transport regulation processes at the Provincial Regulatory Entity (PRE), which have been centralised to regions in order to allow the lodging of applications for operating licences and permits for the public transport operators in the province to be more accessible. This project was anticipated to be completed in 2013/14, hence the decrease in the 2014/15 Main Appropriation. However, the project was not completed, and thus the increase in the 2014/15 Adjusted Appropriation and Revised Estimate, which partly accounts for the increase over the MTEF in comparison to the 2014/15 Main Appropriation. The growth over the MTEF also relates to the purchase of vehicles and the filling of posts taking into account the moratorium on the filling of non-critical posts.

The sub-programme: Law Enforcement shows a fairly steady increase over the period, which is attributed to the employment of additional traffic officers to enhance law enforcement on roads, the higher than anticipated wage agreements and the extended road safety awareness campaigns conducted over the festive seasons. The decrease in the 2014/15 Adjusted Appropriation and Revised Estimate relates to the slower than anticipated filling of posts and resignations. The growth over the MTEF is in respect of additional and replacement motor vehicles for the Law Enforcement unit and an increase in law enforcement and road safety campaigns, as well as filling of vacant posts, in line with the moratorium on the filling of non-critical posts.

Compensation of employees reflects steady growth, apart from the reduction in the 2014/15 Adjusted Appropriation and the Revised Estimate due to the non-filling of vacant posts and resignations. The increase over the MTEF is in respect of filling of posts, as well as annual salary adjustments.

The high 2012/13 and 2013/14 amounts against *Goods and services* can be attributed to the extended road safety campaigns, consultants fees for the implementation of the consolidated public transport regulation processes at PRE, among others. The costs were higher than anticipated, accounting for the decrease in the 2014/15 Main Appropriation. The increase in the 2014/15 Adjusted Appropriation and Revised Estimate resulted from the higher than anticipated road safety campaigns over the festive seasons, as well as the higher than anticipated consultants fees for the implementation of the consolidated public transport regulation processes at PRE, and these contribute to the growth over the MTEF.

Transfers and subsidies to: Provinces and municipalities caters for motor vehicle licences.

Transfers and subsidies to: Households caters mainly for staff exit costs, which fluctuate over the period due to the difficulty in forecasting accurately for this category as a result of its uncertain nature.

Machinery and equipment reflects an erratic trend over the period under review, in line with the filling of posts, as well as the replacement of computer equipment, vehicles, etc., that are damaged or obsolete. The high 2011/12 amount was in respect of once-off expenditure relating to the computerised licence testing system, the appointment of new staff, and the purchase of office and computer equipment and vehicles, that were damaged or obsolete, hence the decrease in 2012/13. Also, the substantially low 2012/13 amount was due to cost-cutting, as well as vehicles and office equipment ordered but not delivered and paid for, accounting for the increase in 2013/14. The increase from 2014/15 onward relates to reprioritisation undertaken to cater for the additional and replacement motor vehicles for the Law Enforcement unit, as well as for computer equipment, that are damaged or obsolete.

Payments for financial assets relates to write-off of irrecoverable staff debts.

Service delivery measures – Programme 4: Transport Regulation

Table 12.23 illustrates the main service delivery measures relating to Programme 4. The performance indicators provided comply fully with the customised performance indicators for the Transport sector. As previously discussed, it is noted that almost all the targets over the MTEF have remained constant and, in some cases, are decreasing. This can be attributed to the various budget cuts against the vote.

Table 12.23 : Service delivery measures – Programme 4: Transport Regulation

| Outputs | Performance indicators | Estimate performance | Medium-term targets | | | |
|--|---|-------------------------|---------------------|-----------|-----------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 4. Transport Regulation | | | | | | |
| 4.1 Transport Administration and Licensing | • No. of licence compliance inspections conducted | 870 | 890 | 910 | 1 010 | |
| 4.2 Operator Licences and Permits | • No. of operator permits converted to licences | 400 | 400 | 400 | 400 | |
| 4.3 Traffic Law Enforcement | • No. of speed operations conducted | 16 658 | 18 250 | 18 250 | 18 250 | |
| | • No. of K78 roadblocks held | 1 100 | 1 100 | 1 100 | 1 100 | |
| | • No. of hours weighbridges operated | 15 000 | 15 000 | 15 000 | 15 000 | |
| | • No. of road side vehicles check point operations | 36 000 | 36 000 | 36 000 | 36 000 | |
| | • Undertake goal directed enforcement of public transport (Operation Shanela) | 550 | 550 | 550 | 550 | |
| | • No. of kilometres patrolled | 6 090 000 | 6 090 000 | 6 090 000 | 6 090 000 | |
| | • No. of law enforcement officers trained: Diploma courses | 90 | 50 | 50 | 50 | |
| | • No. of law enforcement officers employed | 837 | 927 | 940 | 990 | |
| | • No. of vehicles stopped and checked | 1 377 945 | 2 040 000 | 2 040 000 | 2 040 000 | |
| | • No. of heavy vehicles screened | 3 200 000 | 3 300 000 | 3 400 000 | 3 500 000 | |
| | • No. of vehicles weighed | 165 046 | 150 000 | 150 000 | 150 000 | |
| | • No. of drunken driving operations conducted | 184 | 190 | 190 | 190 | |
| | • No. of vehicles which are overloaded | 22 200 | 22 100 | 21 000 | 22 100 | |
| | • No. of vehicles detained | 7 370 | 7 730 | 8 120 | 8 480 | |

6.5 Programme 5: Community Based Programme

The purpose of this programme is to direct and manage the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors. The programme consists of four sub-programmes in line with the sector specific budget format, namely: Programme Support Community Based, Community Development, Innovation and Empowerment and EPWP Co-ordination and Monitoring. Tables 12.24 and 12.25 below summarise this programme's payments and estimates relating to Programme 5 for the financial years 2011/12 to 2017/18.

Table 12.24 : Summary of payments and estimates by sub-programme: Community Based Programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Programme Support Community Based | 7 784 | 5 041 | 5 097 | 7 990 | 6 040 | 6 040 | 6 676 | 6 914 | 7 264 |
| 2. Community Development | 12 102 | 11 934 | 22 304 | 11 650 | 11 650 | 10 203 | 12 690 | 13 522 | 14 198 |
| 3. Innovation and Empowerment | 16 681 | 20 733 | 8 235 | 17 940 | 17 940 | 17 940 | 18 744 | 18 910 | 19 625 |
| 4. EPWP Co-ordination and Monitoring | 4 168 | 15 725 | 6 838 | 6 860 | 9 910 | 11 357 | 5 929 | 6 242 | 6 781 |
| Total | 40 735 | 53 433 | 42 474 | 44 440 | 45 540 | 45 540 | 44 039 | 45 588 | 47 868 |

Table 12.25 : Summary of payments and estimates by economic classification: Community Based Programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 40 732 | 53 424 | 40 968 | 38 050 | 39 150 | 39 500 | 38 626 | 41 153 | 43 211 |
| Compensation of employees | 10 631 | 12 534 | 12 302 | 20 415 | 12 715 | 13 051 | 21 759 | 23 070 | 24 869 |
| Goods and services | 30 101 | 40 890 | 28 666 | 17 635 | 26 435 | 26 449 | 16 867 | 18 083 | 18 342 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | - | 1 | 1 458 | 6 005 | 6 005 | 6 005 | 5 005 | 4 005 | 4 205 |
| Provinces and municipalities | - | - | - | 5 | 5 | 5 | 5 | 5 | 5 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | 1 451 | 6 000 | 6 000 | 6 000 | 5 000 | 4 000 | 4 200 |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | 1 | 7 | - | - | - | - | - | - |
| Payments for capital assets | - | 8 | 45 | 385 | 385 | 35 | 408 | 430 | 452 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | 8 | 45 | 385 | 385 | 35 | 408 | 430 | 452 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 3 | - | 3 | - | - | - | - | - | - |
| Total | 40 735 | 53 433 | 42 474 | 44 440 | 45 540 | 45 540 | 44 039 | 45 588 | 47 868 |

It should be noted that the provincial co-ordination of EPWP has been shifted to DOPW over the 2015/16 MTEF. The department could not undertake comparative figures due to the difficulty in extracting the information for the prior years. The EPWP Co-ordination and Monitoring sub-programme now relates only to the EPWP co-ordination and monitoring of the Transport's EPWP function.

The sub-programme: Programme Support Community Based relates to the administrative functions for community-based programmes. The low amounts in 2012/13 and 2013/14, as well as the reduction in the 2014/15 Adjusted Appropriation, mainly relate to cost-cutting and the slower than anticipated filling of vacant posts. This has resulted in the decrease over the MTEF in comparison to the 2014/15 Main Appropriation.

The sub-programme: Community Development reflects a low amount in 2012/13 due to cost-cutting, as well as the training of the Community Development Workers (CDWs) that was not undertaken due to non-finalisation of the training material. The training was undertaken in 2013/14, hence the high 2013/14 amount. The decrease in the 2014/15 Revised Estimate can be attributed to reprioritisation to the sub-programme: EPWP Co-ordination and Monitoring in respect of filling of posts. The growth over the MTEF caters for inflationary increments.

The low amount in 2013/14 against the sub-programme: Innovation and Empowerment was mainly due to reprioritisation undertaken as a result of non-filling of posts to Programme 2 in respect of the maintenance of the provincial road network. The growth over the 2015/16 MTEF relates mainly to inflationary increments.

The low amount in 2011/12 against the EPWP Co-ordination and Monitoring sub-programme was mainly due to cost-cutting and the savings were reprioritised to Programme 2 to fund the higher than anticipated rehabilitation of roads undertaken. The high amount in 2012/13 resulted from once-off training that was undertaken for the *Zibambele* contractors in that year, accounting for the decrease in 2013/14. The increase in the 2014/15 Adjusted Appropriation and Revised Estimate relates to higher than anticipated transportation costs, as well as the costs of consultants appointed to assist with the training of *Zibambele* contractors who undertake road maintenance work for the department. The reduction over the MTEF in comparison to the 2014/15 Main Appropriation is ascribed to reprioritisation to the sub-programme: Innovation and Empowerment in respect of filling of posts, as well as funds moved to DOPW for the co-ordination of the EPWP function.

Compensation of employees reflects an increasing trend over the period. The slight decrease in 2013/14 relates to delays in filling of posts. The decrease in the 2014/15 Adjusted Appropriation was due to slower than anticipated filling of posts, as discussed previously. The increase in the Revised Estimate is due to filling of vacant posts. The growth over the MTEF relates to inflationary increments.

The fluctuating trend reflected against *Goods and services* relates to expenditure pressures associated with the development and training of CDWs and *Zibambele* contractors who undertake road maintenance work for the department. The low 2011/12 amount relates to savings identified due to cost-cutting and moved to Programme 2 to cater for the higher than anticipated rehabilitation of roads undertaken. The high amount in 2012/13 was attributed to various training programmes undertaken for the CDWs and the *Zibambele* contractors, which were once-off, accounting for the decrease in 2013/14. Also, the reduction in 2013/14 relates to funds reprioritised to *Transfers and subsidies to: Public corporations and private enterprises* in respect of VECA for the monitoring of the *Vukuzakhe* emerging contractors for compliance to norms and standards. The decrease in the 2014/15 Main Appropriation and over the MTEF in comparison to 2013/14 was due to reprioritisation undertaken during the 2014/15 budget process to Programme 2 to offset spending pressures in road construction. The increase in the 2014/15 Adjusted Appropriation was in respect of the higher than anticipated transportation and training costs of the *Zibambele* contractors, as previously explained. The growth from 2016/17 onward is due to inflationary increments.

The amounts against *Transfers and subsidies to: Provinces and municipalities* are in respect of motor vehicle licences.

The amounts against *Transfers and subsidies to: Public corporations and private enterprises* from 2013/14 onward are in respect of VECA, as previously explained. The department committed itself to working together with the association in fast-tracking the development of emerging contractors through the provision of training and development support, thus the substantial allocation in 2014/15. The declining allocations over the MTEF are in line with the operational plans submitted by VECA.

Transfers and subsidies to: Households caters mainly for staff exit costs, which fluctuate over the period due to the difficulty in forecasting accurately for this category as a result of its uncertain nature.

Machinery and equipment reflects a fluctuating trend over the period under review in line with the filling of posts, as well as the replacement of computer equipment, vehicles, etc., that are damaged or obsolete. No expenditure was incurred in 2011/12 due to cost-cutting. The low 2014/15 Revised Estimate can be attributed to office and computer equipment ordered but will not be delivered by the end of 2014/15 and has been catered for in 2015/16. The increase over the MTEF is mainly due to inflationary increments.

Payments for financial assets relates to write-off of irrecoverable staff debts.

Service delivery measures – Programme 5: Community Based Programme

Table 12.26 below reflects the main service delivery measures relevant to Programme 5. The performance indicators provided comply fully with the customised measures for the Transport sector.

It is noted that almost all the targets over the MTEF have remained constant. This can be attributed to the various budget cuts against the vote, as discussed previously.

Table 12.26 : Service delivery measures – Programme 5: Community Based Programme

| Outputs | | Performance indicators | Estimated performance | Medium-term targets | | | |
|------------------------------|-----------------------------------|---|-----------------------|---------------------|-----------|-----------|--|
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 5. Community Based Programme | | | | | | | |
| 5.1 | Community Development | • No. of <i>Zimbabwe</i> contractors employed | 41 000 | 41 000 | 41 000 | 41 000 | |
| | | • No. of small contractors created through the <i>Vukuzakhe</i> Emerging Contractor Development Prog. | 300 | 300 | 300 | 300 | |
| 5.2 | EPWP Co-ordination and Monitoring | • No. of jobs created | 60 000 | 62 700 | 62 700 | 62 700 | |
| | | • No. of Full-Time Equivalents (FTEs) | 23 200 | 24 000 | 24 000 | 24 000 | |
| | | • No. of youths employed (18-35) | 30 000 | 31 350 | 31 350 | 31 350 | |
| | | • No. of women employed | 43 850 | 44 640 | 44 640 | 44 640 | |
| | | • No. of people living with disabilities employed | 300 | 315 | 315 | 315 | |
| | | • No. of employment days created | 5 336 000 | 5 520 000 | 5 520 000 | 5 520 000 | |

7. Other programme information

7.1 Personnel numbers and costs

Personnel numbers per programme for full-time equivalent positions are given in Table 12.27 below for the previous and current financial years, along with estimates over the MTEF. The increase over the MTEF is due to the department budgeting for the vote's full structure.

Table 12.28 below reflects the summary of personnel numbers in the department, specifying the number of posts in the Human Resources and Finance components, incorporating Financial Management Services, SCM and associated services.

The personnel costs reflect an increasing trend over the period under review. As a result of the slower than anticipated filling of vacant posts, contract workers were used for support functions and this accounts for the fluctuations in numbers and costs in respect of contract workers. The review of the organisational structure was completed in February 2012, and critical vacant posts are being filled, and the department will also review the number of contract workers as posts are being filled, over the MTEF.

It should be noted that the *Zimbabwe* contractors employed (amounting to an estimated 41 000 in each year of the MTEF) in the department are used for the maintenance of the provincial road network, but are not included in Table 12.28, as they are not part of the approved post establishment.

Table 12.27 : Personnel numbers and costs by programme

| 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 | 309 | 309 | 309 | 420 | 420 | 420 | 420 |
| 2. Transport Infrastructure | 2 154 | 2 088 | 2 003 | 2 502 | 2 588 | 2 588 | 2 588 |
| 3. Transport Operations | 76 | 76 | 73 | 86 | 86 | 86 | 86 |
| 4. Transport Regulation | 1 578 | 1 513 | 1 458 | 1 630 | 1 630 | 1 630 | 1 630 |
| 5. Community Based Programme | 37 | 37 | 37 | 37 | 37 | 37 | 37 |
| Total | 4 154 | 4 023 | 3 880 | 4 675 | 4 761 | 4 761 | 4 761 |
| Total personnel cost (R thousand) | 1 100 404 | 1 176 174 | 1 266 775 | 1 347 937 | 1 657 756 | 1 762 384 | 1 899 783 |
| Unit cost (R thousand) | 265 | 292 | 326 | 288 | 348 | 370 | 399 |

Table 12.28 : Summary of departmental personnel numbers and costs by component

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|-----------|-----------|--------------------|------------------------|------------------|-----------------------|-----------|-----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Total for the department | | | | | | | | | |
| Personnel numbers (head count) | 4 154 | 4 023 | 3 880 | 4 675 | 4 675 | 4 675 | 4 761 | 4 761 | 4 761 |
| Personnel cost (R thousands) | 1 100 404 | 1 176 174 | 1 266 775 | 1 507 280 | 1 355 698 | 1 347 937 | 1 657 756 | 1 762 384 | 1 899 783 |
| Human resources component | | | | | | | | | |
| Personnel numbers (head count) | 67 | 86 | 90 | 95 | 74 | 74 | 128 | 128 | 128 |
| Personnel cost (R thousands) | 17 220 | 30 066 | 27 572 | 58 265 | 30 477 | 30 477 | 43 813 | 46 574 | 49 508 |
| Head count as % of total for department | 1.61 | 2.14 | 2.32 | 2.03 | 1.58 | 1.58 | 2.69 | 2.69 | 2.69 |
| Personnel cost as % of total for department | 1.56 | 2.56 | 2.18 | 3.87 | 2.25 | 2.26 | 2.64 | 2.64 | 2.61 |
| Finance component | | | | | | | | | |
| Personnel numbers (head count) | 85 | 78 | 82 | 90 | 81 | 81 | 159 | 159 | 159 |
| Personnel cost (R thousands) | 22 555 | 39 330 | 24 960 | 57 808 | 27 961 | 27 961 | 52 903 | 55 904 | 59 425 |
| Head count as % of total for department | 2.05 | 1.94 | 2.11 | 1.93 | 1.73 | 1.73 | 3.34 | 3.34 | 3.34 |
| Personnel cost as % of total for department | 2.05 | 3.34 | 1.97 | 3.84 | 2.06 | 2.07 | 3.19 | 3.17 | 3.13 |
| Full time workers | | | | | | | | | |
| Personnel numbers (head count) | 3 761 | 3 578 | 3 835 | 4 322 | 4 322 | 4 322 | 4 486 | 4 486 | 4 486 |
| Personnel cost (R thousands) | 1 051 865 | 1 119 164 | 1 249 376 | 1 451 031 | 1 307 731 | 1 299 970 | 1 637 947 | 1 741 327 | 1 877 400 |
| Head count as % of total for department | 90.54 | 88.94 | 98.84 | 92.45 | 92.45 | 92.45 | 94.22 | 94.22 | 94.22 |
| Personnel cost as % of total for department | 95.59 | 95.15 | 98.63 | 96.27 | 96.46 | 96.44 | 98.81 | 98.81 | 98.82 |
| Part-time workers | | | | | | | | | |
| Personnel numbers (head count) | - | - | - | - | - | - | - | - | - |
| Personnel cost (R thousands) | - | - | - | - | - | - | - | - | - |
| Head count as % of total for department | - | - | - | - | - | - | - | - | - |
| Personnel cost as % of total for department | - | - | - | - | - | - | - | - | - |
| Contract workers | | | | | | | | | |
| Personnel numbers (head count) | 393 | 445 | 45 | 353 | 353 | 353 | 275 | 275 | 275 |
| Personnel cost (R thousands) | 48 539 | 57 010 | 17 399 | 56 249 | 47 967 | 47 967 | 19 809 | 21 057 | 22 383 |
| Head count as % of total for department | 9.46 | 11.06 | 1.16 | 7.55 | 7.55 | 7.55 | 5.78 | 5.78 | 5.78 |
| Personnel cost as % of total for department | 4.41 | 4.85 | 1.37 | 3.73 | 3.54 | 3.56 | 1.19 | 1.19 | 1.18 |

Note: This table excludes approximately 41 000 Zibambele contractors each year.

7.2 Training

Tables 12.29 and 12.30 give a summary of departmental spending and information on training for the period 2011/12 to 2013/14, and budgeted expenditure for the period 2014/15 to 2017/18.

It is noted that the tables include information relating to the Traffic Training College and the Technical Training Centre.

Table 12.29 : Payments on training by programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------------|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 2 595 | 2 464 | 5 379 | 2 984 | 2 453 | 2 203 | 2 576 | 2 576 | 2 576 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | 2 595 | 2 464 | 5 379 | 2 984 | 2 453 | 2 203 | 2 576 | 2 576 | 2 576 |
| Other | - | - | - | - | - | - | - | - | - |
| 2. Transport Infrastructure | 3 264 | 5 158 | 2 052 | 3 942 | 2 759 | 2 080 | 2 897 | 2 897 | 2 897 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | 3 264 | 5 158 | 2 052 | 3 942 | 2 759 | 2 080 | 2 897 | 2 897 | 2 897 |
| Other | - | - | - | - | - | - | - | - | - |
| 3. Transport Operations | 133 | 75 | 70 | 161 | 140 | 78 | 147 | 147 | 147 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | 133 | 75 | 70 | 161 | 140 | 78 | 147 | 147 | 147 |
| Other | - | - | - | - | - | - | - | - | - |
| 4. Transport Regulation | 414 | 435 | 788 | 500 | 945 | 981 | 992 | 992 | 992 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | 414 | 435 | 788 | 500 | 945 | 981 | 992 | 992 | 992 |
| Other | - | - | - | - | - | - | - | - | - |
| 5. Community Based Programme | 42 | 19 | 7 | 51 | 45 | 45 | 48 | 48 | 48 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | 42 | 19 | 7 | 51 | 45 | 45 | 48 | 48 | 48 |
| Other | - | - | - | - | - | - | - | - | - |
| Total | 6 448 | 8 151 | 8 296 | 7 638 | 6 342 | 5 387 | 6 660 | 6 660 | 6 660 |

Table 12.30 : Information on training: Transport

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------------------|-----------------|---------|---------|-----------------------|---------------------------|---------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Number of staff | 4 154 | 4 023 | 3 880 | 4 675 | 4 675 | 4 675 | 4 761 | 4 761 | 4 761 |
| Number of personnel trained | 815 | 1 345 | 1 600 | 1 600 | 1 600 | 1 600 | 1 600 | 1 600 | 1 680 |
| of which | | | | | | | | | |
| Male | 421 | 629 | 900 | 900 | 900 | 900 | 900 | 900 | 945 |
| Female | 394 | 716 | 700 | 700 | 700 | 700 | 700 | 700 | 735 |
| Number of training opportunities | 1 626 | 69 | 265 | 265 | 265 | 265 | 265 | 265 | 278 |
| of which | | | | | | | | | |
| Tertiary | - | - | - | - | - | - | - | - | - |
| Workshops | 80 | 11 | 15 | 15 | 15 | 15 | 15 | 15 | 16 |
| Seminars | 58 | 2 | - | - | - | - | - | - | - |
| Other | 1 488 | 56 | 250 | 250 | 250 | 250 | 250 | 250 | 263 |
| Number of bursaries offered | 122 | 98 | 200 | 200 | 200 | 200 | 200 | 200 | 210 |
| Number of interns appointed | 23 | 4 | 35 | 35 | 35 | 35 | 35 | 35 | 37 |
| Number of learnerships appointed | 185 | - | 185 | 185 | 185 | 185 | 185 | 185 | 194 |
| Number of days spent on training | 232 | 295 | 200 | 200 | 200 | 200 | 200 | 200 | 210 |

The low 2011/12 amount can be attributed to cost-cutting. The department reduced its training budget in order to undertake in-house training and capacity building. The decrease in the 2014/15 Adjusted Appropriation relates to training costs being inadvertently reduced by too much, hence the increase in the 2014/15 Revised Estimate. The decrease over the MTEF in comparison to the 2014/15 Main Appropriation is due to the fact that the department will undertake in-house training and capacity building, aimed at containing costs.

The training in Programme 1 relates to administrative functions. The training in Programme 2 is in respect of training for the *Zimbabwe* contractors relating to maintenance of the provincial roads.

Under Programme 3, the training is in respect of safety and compliance such as road safety education, including pedestrian safety.

The training under Programme 4 includes the costs for the Traffic Training College in respect of the training of traffic officers, and the training conducted under Programme 5 relates to training, learnerships and mentorships for the *Vukuzakhe* projects.

With regard to Programme 5, the training undertaken is in respect of training provided to the *Vukuzakhe* contractors to provide them with skills to grow and sustain their businesses. The substantial decrease from 2012/13 and 2013/14 was due to the review of the training course to ensure its efficiency. This was completed in 2013/14 and, thus the increase from 2014/15 onward. The decrease in the 2014/15 Adjusted Appropriation was due to the department inadvertently reducing the budget too much, hence the increase in the 2014/15 Revised Estimate.

The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. The training needs will be reviewed on an ongoing basis. This requirement gives credence to government policy on human resource development. To facilitate this process, the department is affiliated to the line function Sectoral Education and Training Authority (SETA), and TETA and CETA.

ANNEXURE – VOTE 12: TRANSPORT

Table 12.A : Details of departmental receipts: Transport

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | 1 231 524 | 1 318 621 | 1 396 323 | 1 420 000 | 1 420 000 | 1 452 633 | 1 481 000 | 1 540 240 | 1 601 850 |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | 1 231 524 | 1 318 621 | 1 396 323 | 1 420 000 | 1 420 000 | 1 452 633 | 1 481 000 | 1 540 240 | 1 601 850 |
| Sale of goods and services other than capital assets | 122 587 | 126 819 | 130 592 | 120 000 | 120 000 | 123 286 | 129 450 | 135 923 | 142 719 |
| Sale of goods and services produced by dept. (excl. capital assets) | 122 587 | 126 819 | 130 592 | 120 000 | 120 000 | 123 280 | 129 444 | 135 916 | 142 712 |
| Sales by market establishments | - | - | - | - | - | 5 857 | 6 150 | 6 457 | 6 780 |
| Administrative fees | - | - | - | - | - | 110 909 | 116 454 | 122 277 | 128 391 |
| Other sales | 122 587 | 126 819 | 130 592 | 120 000 | 120 000 | 6 514 | 6 840 | 7 182 | 7 541 |
| Sale of scrap, waste, arms and other used current goods | - | - | - | - | - | 6 | 6 | 7 | 7 |
| Transfers received from: | - | - | - | - | - | - | - | - | - |
| Other governmental units | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments | - | - | - | - | - | - | - | - | - |
| International organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Households and non-profit institutions | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | 45 148 | 50 318 | 38 186 | 25 000 | 25 000 | 36 274 | 38 088 | 39 992 | 41 992 |
| Interest, dividends and rent on land | 350 | 274 | 202 | 160 | 160 | 253 | 266 | 280 | 295 |
| Interest | - | - | - | - | - | 146 | 153 | 161 | 169 |
| Dividends | 350 | 274 | 202 | 160 | 160 | 23 | 24 | 25 | 27 |
| Rent on land | - | - | - | - | - | 84 | 88 | 93 | 99 |
| Sale of capital assets | 3 558 | 1 951 | 4 181 | 2 500 | 2 500 | 2 281 | 2 650 | 2 800 | 2 940 |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Other capital assets | 3 558 | 1 951 | 4 181 | 2 500 | 2 500 | 2 281 | 2 650 | 2 800 | 2 940 |
| Transactions in financial assets and liabilities | 6 315 | 4 282 | 7 814 | 4 500 | 4 500 | 1 956 | 2 053 | 2 176 | 2 307 |
| Total | 1 409 482 | 1 502 265 | 1 577 298 | 1 572 160 | 1 572 160 | 1 616 683 | 1 653 507 | 1 721 411 | 1 792 102 |

Table 12.B : Payments and estimates by economic classification: Transport

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|-------------------|
| R thousand | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 3 408 533 | 3 802 271 | 3 947 180 | 5 050 727 | 4 428 768 | 4 351 886 | 5 084 333 | 5 273 987 | 5 594 768 |
| Compensation of employees | 1 100 404 | 1 176 174 | 1 266 775 | 1 507 280 | 1 355 698 | 1 347 937 | 1 657 756 | 1 762 384 | 1 899 783 |
| Salaries and wages | 983 209 | 1 055 825 | 1 141 515 | 1 363 603 | 1 212 478 | 1 204 839 | 1 505 580 | 1 602 143 | 1 727 057 |
| Social contributions | 117 195 | 120 349 | 125 260 | 143 677 | 143 220 | 143 098 | 152 176 | 160 241 | 172 726 |
| Goods and services | 2 308 129 | 2 626 096 | 2 680 332 | 3 543 447 | 3 073 070 | 3 003 940 | 3 426 577 | 3 511 603 | 3 694 985 |
| Administrative fees | 32 | 21 | 9 | 60 | 1 452 | 1 269 | 1 577 | 1 577 | 1 580 |
| Advertising | 18 551 | 15 856 | 15 923 | 21 484 | 8 100 | 6 978 | 8 504 | 8 504 | 8 504 |
| Assets less than the capitalisation threshold | 8 525 | 9 435 | 5 412 | 10 088 | 6 407 | 6 035 | 6 726 | 6 726 | 6 726 |
| Audit cost: External | 4 791 | 6 593 | 6 436 | 5 529 | 6 773 | 6 787 | 7 112 | 7 112 | 7 112 |
| Bursaries: Employees | 1 882 | 1 170 | 1 554 | 2 044 | 428 | 415 | 2 044 | 2 044 | 2 044 |
| Catering: Departmental activities | 7 521 | 10 217 | 9 342 | 2 731 | 8 168 | 7 933 | 8 576 | 8 576 | 8 576 |
| Communication (G&S) | 30 486 | 32 735 | 33 056 | 30 704 | 37 471 | 36 434 | 39 394 | 39 394 | 39 396 |
| Computer services | 23 204 | 32 269 | 25 928 | 20 923 | 34 362 | 35 435 | 36 080 | 36 080 | 36 080 |
| Cons & prof serv: Business and advisory services | 97 029 | 101 847 | 95 670 | 67 376 | 156 328 | 175 086 | 162 273 | 163 466 | 163 266 |
| Cons & prof serv: Infras and planning | 45 334 | 53 193 | 76 427 | 38 552 | 99 457 | 99 005 | 102 460 | 102 460 | 102 460 |
| Cons & prof serv: Laboratory services | - | 194 | 305 | - | 237 | 158 | 249 | 249 | 249 |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 17 599 | 18 195 | 24 962 | 20 580 | 23 499 | 21 011 | 26 048 | 26 416 | 26 674 |
| Contractors | 1 196 930 | 1 238 951 | 1 453 903 | 2 167 251 | 1 646 821 | 1 565 399 | 1 892 587 | 2 000 326 | 2 111 850 |
| Agency and support / outsourced services | 7 094 | 4 766 | 3 680 | 8 456 | 8 564 | 1 508 | 8 965 | 8 965 | 8 965 |
| Entertainment | 112 | 11 | 10 | 129 | 21 | 15 | 22 | 22 | 22 |
| Fleet services (incl. govt motor transport) | - | 47 677 | 72 093 | 31 050 | 53 659 | 55 096 | 54 671 | 54 789 | 54 789 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 5 745 | - | 5 731 | 4 991 | 6 017 | 6 017 | 6 017 |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 158 | 657 | 610 | 189 | 909 | 1 010 | 954 | 954 | 954 |
| Inventory: Fuel, oil and gas | 71 593 | 45 641 | 34 310 | 86 879 | 18 118 | 19 580 | 19 394 | 19 414 | 19 432 |
| Inventory: Learner and teacher support material | 618 | 628 | 576 | 722 | 550 | 483 | 577 | 577 | 577 |
| Inventory: Materials and supplies | 27 355 | 36 504 | 63 189 | 33 014 | 72 795 | 73 857 | 76 435 | 76 435 | 76 435 |
| Inventory: Medical supplies | 61 | 48 | 7 | 73 | 3 | 1 | 3 | 3 | 3 |
| Inventory: Medicine | 4 179 | 3 561 | 4 289 | 4 809 | 1 334 | 1 310 | 1 401 | 1 401 | 1 401 |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | 55 125 | - | - | 1 | 1 | 1 | 1 | 1 |
| Consumable supplies | 67 539 | - | 3 758 | 77 712 | 6 607 | 5 890 | 6 938 | 6 938 | 6 938 |
| Consumable: Stationery, printing and office supplies | 12 221 | 15 825 | 13 064 | 15 679 | 13 263 | 12 723 | 13 953 | 13 955 | 13 957 |
| Operating leases | 21 779 | 280 749 | 78 846 | 26 753 | 61 613 | 55 503 | 65 438 | 65 479 | 65 520 |
| Property payments | 54 822 | 67 859 | 77 736 | 56 598 | 85 652 | 85 130 | 90 018 | 90 021 | 90 026 |
| Transport provided: Departmental activity | 33 815 | 98 563 | 130 779 | 180 422 | 180 403 | 178 898 | 254 539 | 261 435 | 275 870 |
| Travel and subsistence | 54 115 | 54 579 | 56 754 | 58 182 | 56 297 | 55 575 | 60 022 | 60 078 | 60 340 |
| Training and development | 6 448 | 8 151 | 8 296 | 7 638 | 6 342 | 5 387 | 6 660 | 6 660 | 6 660 |
| Operating payments | 4 882 | 5 807 | 5 989 | 5 872 | 10 730 | 8 937 | 11 267 | 11 267 | 11 267 |
| Venues and facilities | 13 405 | 13 645 | 12 173 | 2 810 | 13 158 | 12 685 | 13 815 | 13 815 | 13 815 |
| Rental and hiring | 476 049 | 365 624 | 359 501 | 559 138 | 447 817 | 463 415 | 441 857 | 410 447 | 467 479 |
| Interest and rent on land | - | 1 | 73 | - | - | 9 | - | - | - |
| Interest | - | 1 | 73 | - | - | 9 | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 785 190 | 819 214 | 931 273 | 922 357 | 1 036 808 | 1 046 353 | 1 090 793 | 1 154 318 | 1 224 280 |
| Provinces and municipalities | 652 | 2 379 | 4 281 | 1 600 | 3 982 | 3 982 | 2 148 | 2 232 | 2 315 |
| Provinces | 652 | 2 379 | 4 281 | 1 600 | 3 982 | 3 982 | 2 148 | 2 232 | 2 315 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 652 | 2 379 | 4 281 | 1 600 | 3 982 | 3 982 | 2 148 | 2 232 | 2 315 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | 4 522 | 4 522 | 4 771 | 5 034 | 5 427 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | 4 522 | 4 522 | 4 771 | 5 034 | 5 427 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 773 473 | 808 877 | 915 867 | 910 783 | 1 002 829 | 1 002 829 | 1 063 000 | 1 125 452 | 1 192 975 |
| Public corporations | 773 473 | 808 877 | 915 867 | 910 783 | 1 002 829 | 1 002 829 | 1 063 000 | 1 125 452 | 1 192 975 |
| Subsidies on production | 773 473 | 808 877 | 914 416 | 904 783 | 996 829 | 996 829 | 1 058 000 | 1 121 452 | 1 188 775 |
| Other transfers | - | - | 1 451 | 6 000 | 6 000 | 6 000 | 5 000 | 4 000 | 4 200 |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 11 065 | 7 958 | 11 125 | 9 974 | 25 475 | 35 020 | 20 874 | 21 600 | 23 563 |
| Social benefits | 6 043 | 6 532 | 7 706 | 2 326 | 10 347 | 10 457 | 11 551 | 11 773 | 13 245 |
| Other transfers to households | 5 022 | 1 426 | 3 419 | 7 648 | 15 128 | 24 563 | 9 323 | 9 827 | 10 318 |
| Payments for capital assets | 2 445 913 | 3 028 705 | 3 176 152 | 3 087 511 | 3 585 078 | 3 652 273 | 3 161 778 | 3 302 801 | 3 455 563 |
| Buildings and other fixed structures | 2 374 923 | 2 901 214 | 3 096 671 | 2 947 285 | 3 438 362 | 3 505 557 | 2 985 943 | 3 116 282 | 3 272 096 |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | 2 374 923 | 2 901 214 | 3 096 671 | 2 947 285 | 3 438 362 | 3 505 557 | 2 985 943 | 3 116 282 | 3 272 096 |
| Machinery and equipment | 68 247 | 123 986 | 75 151 | 140 226 | 145 623 | 145 230 | 175 835 | 186 519 | 183 467 |
| Transport equipment | 30 972 | 109 370 | 65 851 | 133 220 | 134 499 | 136 441 | 166 000 | 178 598 | 175 377 |
| Other machinery and equipment | 37 275 | 14 616 | 9 300 | 7 006 | 11 124 | 8 789 | 9 835 | 7 921 | 8 090 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 2 743 | 3 505 | 4 330 | - | 1 093 | 1 486 | - | - | - |
| Payments for financial assets | 219 | 118 | 582 | - | 231 | 373 | 4 553 | 4 553 | - |
| Total | 6 639 855 | 7 650 308 | 8 055 187 | 9 060 595 | 9 050 885 | 9 050 885 | 9 341 457 | 9 735 659 | 10 274 611 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (4 553) | (4 553) | - |
| Baseline available for spending after 1st charge | 6 639 855 | 7 650 308 | 8 055 187 | 9 060 595 | 9 050 885 | 9 050 885 | 9 336 904 | 9 731 106 | 10 274 611 |

Table 12.C : Payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 195 521 | 219 870 | 230 286 | 242 568 | 235 082 | 235 078 | 262 758 | 270 946 | 282 587 |
| Compensation of employees | 88 034 | 94 403 | 97 907 | 134 608 | 113 012 | 108 724 | 140 406 | 147 848 | 159 380 |
| Salaries and wages | 76 808 | 82 811 | 86 051 | 122 099 | 100 503 | 96 215 | 127 266 | 134 012 | 144 464 |
| Social contributions | 11 226 | 11 592 | 11 856 | 12 509 | 12 509 | 12 509 | 13 140 | 13 836 | 14 916 |
| Goods and services | 107 487 | 125 466 | 132 306 | 107 960 | 122 070 | 126 354 | 122 352 | 123 098 | 123 207 |
| Administrative fees | (16) | - | 7 | - | 282 | 247 | 297 | 297 | 297 |
| Advertising | 1 789 | 2 106 | 1 501 | 2 059 | 2 623 | 2 587 | 2 754 | 2 754 | 2 754 |
| Assets less than the capitalisation threshold | 760 | 2 180 | 904 | 874 | 819 | 776 | 860 | 860 | 860 |
| Audit cost: External | 4 482 | 5 433 | 5 732 | 5 154 | 6 502 | 6 352 | 6 827 | 6 827 | 6 827 |
| Bursaries: Employees | 1 882 | 1 170 | 1 554 | 2 044 | 428 | 415 | 2 044 | 2 044 | 2 044 |
| Catering: Departmental activities | 752 | 2 432 | 1 118 | 865 | 1 226 | 1 537 | 1 287 | 1 287 | 1 287 |
| Communication (G&S) | 6 976 | 11 646 | 12 120 | 2 318 | 13 854 | 14 748 | 14 547 | 14 547 | 14 547 |
| Computer services | 14 362 | 19 504 | 20 794 | 10 256 | 20 739 | 21 933 | 21 776 | 21 776 | 21 776 |
| Cons & prof serv: Business and advisory services | 17 954 | 25 616 | 14 322 | 19 108 | 8 464 | 11 481 | 7 992 | 8 370 | 8 221 |
| Cons & prof serv: Infras and planning | - | 1 320 | 5 838 | - | 1 498 | 1 498 | 24 | 24 | 24 |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 11 608 | 9 433 | 16 010 | 13 349 | 18 647 | 16 077 | 20 954 | 21 322 | 21 580 |
| Contractors | 15 112 | 16 074 | 19 277 | 15 122 | 16 516 | 17 688 | 11 003 | 11 003 | 11 003 |
| Agency and support / outsourced services | 621 | 341 | 277 | 714 | 999 | 1 005 | 1 049 | 1 049 | 1 049 |
| Entertainment | 112 | 11 | 1 | 129 | 21 | 15 | 22 | 22 | 22 |
| Fleet services (incl. govt motor transport) | - | 1 910 | 2 974 | 1 100 | 2 386 | 1 494 | 2 505 | 2 505 | 2 505 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 26 | - | 16 | 16 | 17 | 17 | 17 |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 23 | 408 | 361 | 26 | 464 | 457 | 487 | 487 | 487 |
| Inventory: Fuel, oil and gas | 1 670 | 196 | - | 2 035 | 37 | 30 | 39 | 39 | 39 |
| Inventory: Learner and teacher support material | 436 | 463 | 324 | 501 | 324 | 312 | 340 | 340 | 340 |
| Inventory: Materials and supplies | 120 | - | - | 138 | 14 | 13 | 15 | 15 | 15 |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | 4 122 | 3 558 | 4 274 | 4 740 | 1 283 | 1 283 | 1 347 | 1 347 | 1 347 |
| Medias inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | 202 | - | - | - | - | - | - | - |
| Consumable supplies | 177 | - | 414 | 203 | 1 566 | 1 384 | 1 645 | 1 645 | 1 645 |
| Consumable: Stationery, printing and office supplies | 1 347 | 2 235 | 1 893 | 1 549 | 1 289 | 1 324 | 1 354 | 1 354 | 1 354 |
| Operating leases | 5 551 | 1 889 | 2 198 | 6 383 | 4 518 | 3 614 | 4 732 | 4 732 | 4 732 |
| Property payments | 4 522 | 4 901 | 5 080 | 5 200 | 4 722 | 4 684 | 4 958 | 4 958 | 4 958 |
| Transport provided: Departmental activity | 225 | - | 321 | 259 | 1 580 | 1 481 | 1 660 | 1 660 | 1 660 |
| Travel and subsistence | 9 198 | 9 149 | 9 074 | 9 577 | 6 750 | 9 349 | 7 088 | 7 088 | 7 088 |
| Training and development | 2 595 | 2 464 | 5 379 | 2 984 | 2 453 | 2 203 | 2 576 | 2 576 | 2 576 |
| Operating payments | 450 | 609 | 426 | 518 | 893 | 818 | 938 | 938 | 938 |
| Venues and facilities | 657 | 216 | 107 | 755 | 1 157 | 1 533 | 1 215 | 1 215 | 1 215 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | 1 | 73 | - | - | - | - | - | - |
| Interest | - | 1 | 73 | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 2 354 | 1 454 | 2 270 | 6 901 | 11 761 | 11 761 | 13 715 | 14 450 | 16 545 |
| Provinces and municipalities | 8 | 30 | 14 | 30 | 78 | 78 | 78 | 82 | 86 |
| Provinces | 8 | 30 | 14 | 30 | 78 | 78 | 78 | 82 | 86 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 8 | 30 | 14 | 30 | 78 | 78 | 78 | 82 | 86 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | 4 522 | 4 522 | 4 771 | 5 034 | 5 427 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | 4 522 | 4 522 | 4 771 | 5 034 | 5 427 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 2 346 | 1 424 | 2 256 | 6 871 | 7 161 | 7 161 | 8 866 | 9 334 | 11 032 |
| Social benefits | 1 614 | 407 | 1 030 | 332 | 332 | 332 | 345 | 351 | 1 600 |
| Other transfers to households | 732 | 1 017 | 1 226 | 6 539 | 6 829 | 6 829 | 8 521 | 8 983 | 9 432 |
| Payments for capital assets | 6 485 | 29 273 | 24 254 | 5 155 | 6 922 | 6 918 | 15 205 | 15 134 | 15 743 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 3 742 | 25 768 | 20 479 | 5 155 | 6 072 | 6 071 | 15 205 | 15 134 | 15 743 |
| Transport equipment | - | 23 562 | 18 945 | - | - | - | 12 000 | 12 000 | 12 600 |
| Other machinery and equipment | 3 742 | 2 206 | 1 534 | 5 155 | 6 072 | 6 071 | 3 205 | 3 134 | 3 143 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 2 743 | 3 505 | 3 775 | - | 850 | 847 | - | - | - |
| Payments for financial assets | 123 | 60 | 494 | - | 49 | 57 | 4 553 | 4 553 | - |
| Total | 204 483 | 250 657 | 257 304 | 254 624 | 253 814 | 253 814 | 296 231 | 305 083 | 314 875 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (4 553) | (4 553) | - |
| Baseline available for spending after 1st charge | 204 483 | 250 657 | 257 304 | 254 624 | 253 814 | 253 814 | 291 678 | 300 530 | 314 875 |

Table 12.D : Payments and estimates by economic classification: Transport Infrastructure

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 2 539 227 | 2 761 663 | 2 846 087 | 3 824 790 | 3 263 654 | 3 186 536 | 3 710 800 | 3 851 247 | 4 094 657 |
| Compensation of employees | 601 843 | 647 501 | 690 481 | 794 192 | 723 586 | 723 586 | 897 342 | 961 509 | 1 036 507 |
| Salaries and wages | 550 492 | 594 989 | 636 498 | 729 781 | 659 175 | 659 175 | 829 067 | 889 616 | 959 006 |
| Social contributions | 51 351 | 52 512 | 53 983 | 64 411 | 64 411 | 64 411 | 68 275 | 71 893 | 77 501 |
| Goods and services | 1 937 384 | 2 114 162 | 2 155 606 | 3 030 598 | 2 540 068 | 2 462 950 | 2 813 458 | 2 889 738 | 3 058 150 |
| Administrative fees | 42 | 21 | 2 | 53 | 652 | 577 | 685 | 685 | 685 |
| Advertising | 334 | 2 055 | 1 243 | 112 | 348 | 318 | 364 | 364 | 364 |
| Assets less than the capitalisation threshold | 5 571 | 6 330 | 3 071 | 6 565 | 3 419 | 3 196 | 3 590 | 3 590 | 3 590 |
| Audit cost: External | 299 | 1 137 | 620 | 362 | 206 | 380 | 217 | 217 | 217 |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 4 107 | 2 275 | 3 213 | 749 | 2 310 | 2 276 | 2 425 | 2 425 | 2 425 |
| Communication (G&S) | 13 014 | 10 963 | 11 841 | 15 712 | 11 941 | 10 991 | 12 538 | 12 538 | 12 538 |
| Computer services | 262 | 2 072 | 1 572 | 307 | 3 318 | 3 220 | 3 484 | 3 484 | 3 484 |
| Cons & prof serv: Business and advisory services | 24 951 | 21 012 | 26 174 | 4 976 | 110 099 | 117 184 | 115 604 | 115 604 | 115 604 |
| Cons & prof serv: Infras and planning | 34 787 | 38 692 | 68 935 | 37 805 | 97 559 | 97 252 | 102 436 | 102 436 | 102 436 |
| Cons & prof serv: Laboratory services | - | 194 | 305 | - | 237 | 158 | 249 | 249 | 249 |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 4 891 | 6 958 | 3 284 | 5 904 | 2 670 | 2 342 | 2 803 | 2 803 | 2 803 |
| Contractors | 1 151 198 | 1 168 075 | 1 401 613 | 2 134 851 | 1 600 016 | 1 519 367 | 1 854 564 | 1 962 254 | 2 073 634 |
| Agency and support / outsourced services | 5 932 | 3 234 | 2 956 | 7 088 | 7 250 | 151 | 7 613 | 7 613 | 7 613 |
| Entertainment | - | - | 9 | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | 18 662 | 32 313 | 18 500 | 19 272 | 20 524 | 20 236 | 20 236 | 20 236 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 2 263 | - | 4 622 | 3 981 | 4 853 | 4 853 | 4 853 |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 94 | 192 | 194 | 113 | 358 | 231 | 376 | 376 | 376 |
| Inventory: Fuel, oil and gas | 55 149 | 45 287 | 34 290 | 66 564 | 17 882 | 19 467 | 18 776 | 18 776 | 18 776 |
| Inventory: Learner and teacher support material | 1 | 4 | - | 1 | 1 | - | 1 | 1 | 1 |
| Inventory: Materials and supplies | 26 769 | 36 260 | 62 791 | 32 312 | 72 324 | 73 163 | 75 941 | 75 941 | 75 941 |
| Inventory: Medical supplies | 2 | 23 | - | 2 | 2 | - | 2 | 2 | 2 |
| Inventory: Medicine | 50 | 3 | 15 | 61 | 50 | 26 | 53 | 53 | 53 |
| Medas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | 49 537 | - | - | - | - | - | - | - |
| Consumable supplies | 60 647 | - | 2 308 | 70 526 | 2 367 | 2 116 | 2 486 | 2 486 | 2 486 |
| Consumable: Stationery, printing and office supplies | 2 340 | 2 340 | 2 414 | 2 826 | 2 408 | 2 360 | 2 528 | 2 528 | 2 528 |
| Operating leases | 971 | 256 413 | 56 769 | 1 164 | 37 527 | 32 552 | 39 404 | 39 404 | 39 404 |
| Property payments | 29 420 | 38 128 | 44 661 | 26 186 | 51 156 | 47 445 | 53 713 | 53 713 | 53 713 |
| Transport provided: Departmental activity | 8 488 | 5 426 | 3 702 | 10 249 | 3 844 | 3 304 | 4 036 | 4 036 | 4 036 |
| Travel and subsistence | 20 298 | 21 857 | 22 745 | 21 357 | 27 377 | 26 145 | 28 747 | 28 747 | 28 747 |
| Training and development | 3 264 | 5 158 | 2 052 | 3 942 | 2 759 | 2 080 | 2 897 | 2 897 | 2 897 |
| Operating payments | 2 026 | 2 656 | 2 492 | 2 448 | 6 160 | 4 647 | 6 468 | 6 468 | 6 468 |
| Venues and facilities | 6 428 | 4 463 | 4 302 | 725 | 4 546 | 4 525 | 4 773 | 4 773 | 4 773 |
| Rental and hiring | 476 049 | 364 735 | 357 457 | 559 138 | 447 388 | 462 972 | 441 596 | 410 186 | 467 218 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 8 545 | 7 251 | 11 037 | 3 695 | 19 164 | 28 599 | 10 880 | 11 086 | 11 291 |
| Provinces and municipalities | 407 | 1 911 | 3 881 | 1 300 | 3 234 | 3 234 | 1 300 | 1 369 | 1 437 |
| Provinces | 407 | 1 911 | 3 881 | 1 300 | 3 234 | 3 234 | 1 300 | 1 369 | 1 437 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 407 | 1 911 | 3 881 | 1 300 | 3 234 | 3 234 | 1 300 | 1 369 | 1 437 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 8 138 | 5 340 | 7 156 | 2 395 | 15 930 | 25 365 | 9 580 | 9 717 | 9 854 |
| Social benefits | 3 859 | 5 241 | 5 187 | 1 300 | 7 861 | 7 861 | 9 020 | 9 127 | 9 234 |
| Other transfers to households | 4 279 | 99 | 1 969 | 1 095 | 8 069 | 17 504 | 560 | 590 | 620 |
| Payments for capital assets | 2 400 501 | 2 997 928 | 3 133 763 | 3 049 183 | 3 544 983 | 3 612 644 | 3 109 729 | 3 240 158 | 3 398 066 |
| Buildings and other fixed structures | 2 374 923 | 2 901 214 | 3 096 671 | 2 947 285 | 3 438 362 | 3 505 557 | 2 985 943 | 3 116 282 | 3 272 096 |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | 2 374 923 | 2 901 214 | 3 096 671 | 2 947 285 | 3 438 362 | 3 505 557 | 2 985 943 | 3 116 282 | 3 272 096 |
| Machinery and equipment | 25 578 | 96 714 | 36 537 | 101 898 | 106 378 | 106 448 | 123 786 | 123 876 | 125 970 |
| Transport equipment | 568 | 85 808 | 29 834 | 101 898 | 103 177 | 105 119 | 120 000 | 122 000 | 124 000 |
| Other machinery and equipment | 25 010 | 10 906 | 6 703 | - | 3 201 | 1 329 | 3 786 | 1 876 | 1 970 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | 555 | - | 243 | 639 | - | - | - |
| Payments for financial assets | 38 | 58 | 71 | - | 117 | 139 | - | - | - |
| Total | 4 948 311 | 5 766 900 | 5 990 958 | 6 877 668 | 6 827 918 | 6 827 918 | 6 831 409 | 7 102 491 | 7 504 014 |

Table 12.E : Payments and estimates by economic classification: Transport Operations

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|------------------|------------------|------------------|------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 113 658 | 203 975 | 228 517 | 279 049 | 256 061 | 255 951 | 350 700 | 359 629 | 377 592 |
| Compensation of employees | 24 835 | 26 704 | 28 939 | 42 445 | 31 214 | 31 214 | 44 991 | 47 376 | 51 071 |
| Salaries and wages | 22 190 | 24 004 | 26 149 | 39 234 | 28 003 | 28 003 | 41 588 | 43 792 | 47 208 |
| Social contributions | 2 645 | 2 700 | 2 790 | 3 211 | 3 211 | 3 211 | 3 403 | 3 584 | 3 863 |
| Goods and services | 88 823 | 177 271 | 199 578 | 236 604 | 224 847 | 224 728 | 305 709 | 312 253 | 326 521 |
| Administrative fees | 6 | - | - | 7 | 184 | 136 | 194 | 194 | 194 |
| Advertising | 16 255 | 11 561 | 12 976 | 19 103 | 4 965 | 3 916 | 5 213 | 5 213 | 5 213 |
| Assets less than the capitalisation threshold | 72 | 50 | 11 | 87 | 146 | 78 | 154 | 154 | 154 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 1 991 | 5 035 | 3 302 | 305 | 3 779 | 3 265 | 3 968 | 3 968 | 3 968 |
| Communication (G&S) | 2 135 | 1 013 | 378 | 2 578 | 1 748 | 1 064 | 1 836 | 1 836 | 1 835 |
| Computer services | - | 1 | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | 18 672 | 35 696 | 30 563 | 21 545 | 17 544 | 18 232 | 20 732 | 20 732 | 20 732 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 311 | 279 | 243 | 375 | 60 | 118 | 63 | 63 | 63 |
| Contractors | 10 497 | 15 541 | 14 566 | 11 248 | 7 872 | 7 026 | 8 266 | 8 266 | 8 266 |
| Agency and support / outsourced services | 183 | 143 | 447 | 221 | 289 | 224 | 303 | 303 | 303 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | 903 | 757 | 1 100 | 381 | 648 | 400 | 400 | 400 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 56 | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | 8 | 15 | - | - | 238 | - | - | - |
| Inventory: Fuel, oil and gas | 371 | 29 | (11) | 447 | 147 | 27 | 155 | 155 | 155 |
| Inventory: Learner and teacher support material | 30 | 7 | - | 37 | 37 | 9 | 39 | 39 | 39 |
| Inventory: Materials and supplies | 11 | 7 | 199 | 14 | 70 | 276 | 73 | 73 | 73 |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medias inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | 173 | - | - | - | - | - | - | - |
| Consumable supplies | 251 | - | 85 | 302 | 322 | 266 | 338 | 338 | 338 |
| Consumable: Stationery, printing and office supplies | 1 167 | 686 | 585 | 1 409 | 1 796 | 1 660 | 1 885 | 1 885 | 1 885 |
| Operating leases | 198 | 396 | 355 | 239 | 448 | 366 | 471 | 471 | 471 |
| Property payments | 508 | 519 | 1 495 | 613 | 633 | 3 676 | 648 | 648 | 648 |
| Transport provided: Departmental activity | 24 052 | 90 575 | 121 833 | 168 647 | 169 285 | 170 939 | 245 262 | 251 806 | 266 075 |
| Travel and subsistence | 6 093 | 6 156 | 4 940 | 7 358 | 6 756 | 5 179 | 7 093 | 7 093 | 7 093 |
| Training and development | 133 | 75 | 70 | 161 | 140 | 78 | 147 | 147 | 147 |
| Operating payments | 300 | 310 | 246 | 362 | 608 | 434 | 639 | 639 | 639 |
| Venues and facilities | 5 587 | 8 084 | 6 353 | 446 | 7 357 | 6 589 | 7 725 | 7 725 | 7 725 |
| Rental and hiring | - | 24 | 114 | - | 280 | 284 | 105 | 105 | 105 |
| Interest and rent on land | - | - | - | - | - | 9 | - | - | - |
| Interest | - | - | - | - | - | 9 | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 773 484 | 808 916 | 914 505 | 904 798 | 997 075 | 997 185 | 1 058 015 | 1 121 468 | 1 188 792 |
| Provinces and municipalities | 11 | 12 | 1 | 15 | 15 | 15 | 15 | 16 | 17 |
| Provinces | 11 | 12 | 1 | 15 | 15 | 15 | 15 | 16 | 17 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 11 | 12 | 1 | 15 | 15 | 15 | 15 | 16 | 17 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 773 473 | 808 877 | 914 416 | 904 783 | 996 829 | 996 829 | 1 058 000 | 1 121 452 | 1 188 775 |
| Public corporations | 773 473 | 808 877 | 914 416 | 904 783 | 996 829 | 996 829 | 1 058 000 | 1 121 452 | 1 188 775 |
| Subsidies on production | 773 473 | 808 877 | 914 416 | 904 783 | 996 829 | 996 829 | 1 058 000 | 1 121 452 | 1 188 775 |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | 27 | 88 | - | 231 | 341 | - | - | - |
| Social benefits | - | 27 | 88 | - | 231 | 341 | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 39 | 95 | 111 | 276 | 276 | 276 | 293 | 309 | 324 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 39 | 95 | 111 | 276 | 276 | 276 | 293 | 309 | 324 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 39 | 95 | 111 | 276 | 276 | 276 | 293 | 309 | 324 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 887 181 | 1 012 986 | 1 143 133 | 1 184 123 | 1 253 412 | 1 253 412 | 1 409 008 | 1 481 406 | 1 566 708 |

Table 12.F : Payments and estimates by economic classification: Transport Regulation

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|----------------|----------------|----------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 519 395 | 563 339 | 601 322 | 666 270 | 634 821 | 634 821 | 721 449 | 751 012 | 796 721 |
| Compensation of employees | 375 061 | 395 032 | 437 146 | 515 620 | 475 171 | 471 362 | 553 258 | 582 581 | 627 956 |
| Salaries and wages | 324 264 | 342 867 | 381 735 | 453 502 | 413 510 | 409 823 | 487 413 | 513 246 | 553 228 |
| Social contributions | 50 797 | 52 165 | 55 411 | 62 118 | 61 661 | 61 539 | 65 845 | 69 335 | 74 728 |
| Goods and services | 144 334 | 168 307 | 164 176 | 150 650 | 159 650 | 163 459 | 168 191 | 168 431 | 168 765 |
| Administrative fees | - | - | - | - | 284 | 260 | 348 | 348 | 351 |
| Advertising | 159 | 131 | 150 | 192 | 163 | 156 | 172 | 172 | 172 |
| Assets less than the capitalisation threshold | 2 121 | 868 | 1 425 | 2 561 | 2 020 | 1 982 | 2 119 | 2 119 | 2 119 |
| Audit cost: External | 10 | 23 | 84 | 13 | 65 | 55 | 68 | 68 | 68 |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 31 | 55 | 48 | 38 | 128 | 130 | 135 | 135 | 135 |
| Communication (G&S) | 7 584 | 8 833 | 8 509 | 9 158 | 9 384 | 9 106 | 9 903 | 9 903 | 9 906 |
| Computer services | 8 580 | 10 692 | 3 562 | 10 360 | 10 305 | 10 282 | 10 820 | 10 820 | 10 820 |
| Cons & prof serv: Business and advisory services | 24 856 | 9 213 | 8 937 | 14 148 | 8 323 | 13 989 | 8 739 | 8 739 | 8 739 |
| Cons & prof serv: Infras and planning | 618 | 750 | 566 | 747 | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 789 | 1 525 | 5 425 | 952 | 2 122 | 2 474 | 2 228 | 2 228 | 2 228 |
| Contractors | 18 635 | 28 157 | 15 663 | 4 283 | 17 493 | 16 076 | 18 368 | 18 368 | 18 368 |
| Agency and support / outsourced services | 358 | 1 048 | - | 433 | 26 | 128 | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | 26 087 | 35 829 | 10 300 | 31 556 | 32 348 | 31 463 | 31 581 | 31 581 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 3 400 | - | 1 093 | 994 | 1 147 | 1 147 | 1 147 |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 32 | 38 | 39 | 39 | 87 | 84 | 91 | 91 | 91 |
| Inventory: Fuel, oil and gas | 14 300 | 48 | 31 | 17 709 | 9 | 13 | 379 | 399 | 417 |
| Inventory: Learner and teacher support material | 151 | 154 | 252 | 183 | 188 | 162 | 197 | 197 | 197 |
| Inventory: Materials and supplies | 454 | 110 | 3 | 549 | 207 | 225 | 217 | 217 | 217 |
| Inventory: Medical supplies | 59 | 25 | 7 | 71 | - | - | - | - | - |
| Inventory: Medicine | 7 | - | - | 8 | 1 | 1 | 1 | 1 | 1 |
| Medas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | 5 204 | - | - | 1 | 1 | 1 | 1 | 1 |
| Consumable supplies | 5 427 | - | 946 | 6 553 | 2 352 | 2 124 | 2 469 | 2 469 | 2 469 |
| Consumable: Stationery, printing and office supplies | 7 035 | 10 481 | 8 123 | 9 494 | 7 749 | 7 351 | 8 164 | 8 166 | 8 168 |
| Operating leases | 15 041 | 21 963 | 19 421 | 18 945 | 18 991 | 18 842 | 20 695 | 20 736 | 20 777 |
| Property payments | 20 372 | 24 311 | 26 500 | 24 599 | 29 141 | 29 325 | 30 699 | 30 702 | 30 707 |
| Transport provided: Departmental activity | - | 3 | 405 | - | - | 3 | - | - | - |
| Travel and subsistence | 15 040 | 15 579 | 18 096 | 16 085 | 13 762 | 13 193 | 15 360 | 15 416 | 15 678 |
| Training and development | 414 | 435 | 788 | 500 | 945 | 981 | 992 | 992 | 992 |
| Operating payments | 2 055 | 2 168 | 2 770 | 2 481 | 3 008 | 2 977 | 3 158 | 3 158 | 3 158 |
| Venues and facilities | 206 | 406 | 1 267 | 249 | 98 | 38 | 102 | 102 | 102 |
| Rental and hiring | - | - | 1 930 | - | 149 | 159 | 156 | 156 | 156 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 807 | 1 592 | 2 003 | 958 | 2 803 | 2 803 | 3 178 | 3 309 | 3 447 |
| Provinces and municipalities | 226 | 426 | 385 | 250 | 650 | 650 | 750 | 760 | 770 |
| Provinces | 226 | 426 | 385 | 250 | 650 | 650 | 750 | 760 | 770 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 226 | 426 | 385 | 250 | 650 | 650 | 750 | 760 | 770 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 581 | 1 166 | 1 618 | 708 | 2 153 | 2 153 | 2 428 | 2 549 | 2 677 |
| Social benefits | 570 | 856 | 1 394 | 694 | 1 923 | 1 923 | 2 186 | 2 295 | 2 411 |
| Other transfers to households | 11 | 310 | 224 | 14 | 230 | 230 | 242 | 254 | 266 |
| Payments for capital assets | 38 888 | 1 401 | 17 979 | 32 512 | 32 512 | 32 400 | 36 143 | 46 770 | 40 978 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 38 888 | 1 401 | 17 979 | 32 512 | 32 512 | 32 400 | 36 143 | 46 770 | 40 978 |
| Transport equipment | 30 404 | - | 17 072 | 31 322 | 31 322 | 31 322 | 34 000 | 44 598 | 38 777 |
| Other machinery and equipment | 8 484 | 1 401 | 907 | 1 190 | 1 190 | 1 078 | 2 143 | 2 172 | 2 201 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 55 | - | 14 | - | 65 | 177 | - | - | - |
| Total | 559 145 | 566 332 | 621 318 | 699 740 | 670 201 | 670 201 | 760 770 | 801 091 | 841 146 |

Table 12.G : Payments and estimates by economic classification: Community Based Programme

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|---------------|---------------|---------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 40 732 | 53 424 | 40 968 | 38 050 | 39 150 | 39 500 | 38 626 | 41 153 | 43 211 |
| Compensation of employees | 10 631 | 12 534 | 12 302 | 20 415 | 12 715 | 13 051 | 21 759 | 23 070 | 24 869 |
| Salaries and wages | 9 455 | 11 154 | 11 082 | 18 987 | 11 287 | 11 623 | 20 246 | 21 477 | 23 151 |
| Social contributions | 1 176 | 1 380 | 1 220 | 1 428 | 1 428 | 1 428 | 1 513 | 1 593 | 1 718 |
| Goods and services | 30 101 | 40 890 | 28 666 | 17 635 | 26 435 | 26 449 | 16 867 | 18 083 | 18 342 |
| Administrative fees | - | - | - | - | 50 | 49 | 53 | 53 | 53 |
| Advertising | 14 | 3 | 53 | 18 | 1 | 1 | 1 | 1 | 1 |
| Assets less than the capitalisation threshold | 1 | 7 | 1 | 1 | 3 | 3 | 3 | 3 | 3 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 640 | 420 | 1 661 | 774 | 725 | 725 | 761 | 761 | 761 |
| Communication (G&S) | 777 | 280 | 208 | 938 | 544 | 525 | 570 | 570 | 570 |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | 10 596 | 10 310 | 15 674 | 7 599 | 11 898 | 14 200 | 9 206 | 10 021 | 9 970 |
| Cons & prof serv: Infrastr and planning | 9 929 | 12 431 | 1 088 | - | 400 | 255 | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 1 488 | 11 104 | 2 784 | 1 747 | 4 924 | 5 242 | 386 | 435 | 579 |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | 115 | 220 | 50 | 64 | 82 | 67 | 67 | 67 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 9 | 11 | 1 | 11 | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 103 | 81 | - | 124 | 43 | 43 | 45 | 45 | 45 |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 1 | 127 | 196 | 1 | 180 | 180 | 189 | 189 | 189 |
| Inventory: Medical supplies | - | - | - | - | 1 | 1 | 1 | 1 | 1 |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medias inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | 9 | - | - | - | - | - | - | - |
| Consumable supplies | 1 037 | - | 5 | 128 | - | - | - | - | - |
| Consumable: Stationery, printing and office supplies | 332 | 83 | 49 | 401 | 21 | 28 | 22 | 22 | 22 |
| Operating leases | 18 | 88 | 103 | 22 | 129 | 129 | 136 | 136 | 136 |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | 1 050 | 2 559 | 4 518 | 1 267 | 5 694 | 3 171 | 3 581 | 3 933 | 4 099 |
| Travel and subsistence | 3 486 | 1 838 | 1 899 | 3 805 | 1 652 | 1 709 | 1 734 | 1 734 | 1 734 |
| Training and development | 42 | 19 | 7 | 51 | 45 | 45 | 48 | 48 | 48 |
| Operating payments | 51 | 64 | 55 | 63 | 61 | 61 | 64 | 64 | 64 |
| Venues and facilities | 527 | 476 | 144 | 635 | - | - | - | - | - |
| Rental and hiring | - | 865 | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | 1 | 1 458 | 6 005 | 6 005 | 6 005 | 5 005 | 4 005 | 4 205 |
| Provinces and municipalities | - | - | - | 5 | 5 | 5 | 5 | 5 | 5 |
| Provinces | - | - | - | 5 | 5 | 5 | 5 | 5 | 5 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | 5 | 5 | 5 | 5 | 5 | 5 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | 1 451 | 6 000 | 6 000 | 6 000 | 5 000 | 4 000 | 4 200 |
| Public corporations | - | - | 1 451 | 6 000 | 6 000 | 6 000 | 5 000 | 4 000 | 4 200 |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | 1 451 | 6 000 | 6 000 | 6 000 | 5 000 | 4 000 | 4 200 |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | 1 | 7 | - | - | - | - | - | - |
| Social benefits | - | 1 | 7 | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | 8 | 45 | 385 | 385 | 35 | 408 | 430 | 452 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | 8 | 45 | 385 | 385 | 35 | 408 | 430 | 452 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | 8 | 45 | 385 | 385 | 35 | 408 | 430 | 452 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 3 | - | 3 | - | - | - | - | - | - |
| Total | 40 735 | 53 433 | 42 474 | 44 440 | 45 540 | 45 540 | 44 039 | 45 588 | 47 868 |

Table 12.H : Payments and estimates by economic classification: Conditional grants

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 147 151 | 1 585 382 | 1 612 015 | 1 847 601 | 1 847 601 | 1 847 601 | 1 834 857 | 1 851 165 | 1 983 711 |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Salaries and wages | - | - | - | - | - | - | - | - | - |
| Social contributions | - | - | - | - | - | - | - | - | - |
| Goods and services | 147 151 | 1 585 382 | 1 612 015 | 1 847 601 | 1 847 601 | 1 847 601 | 1 834 857 | 1 851 165 | 1 983 711 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | - | - | - | - | - | - | - | - | - |
| Assets less than the capitalisation threshold | - | - | - | - | - | - | - | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | - | - | - | - | - | - | - | - |
| Communication (G&S) | - | - | - | - | - | - | - | - | - |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Infrast and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 147 151 | 1 585 382 | 1 612 015 | 1 847 601 | 1 847 601 | 1 847 601 | 1 834 857 | 1 851 165 | 1 983 711 |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | - | - | - | - | - | - | - |
| Consumable: Stationery, printing and office supplies | - | - | - | - | - | - | - | - | - |
| Operating leases | - | - | - | - | - | - | - | - | - |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | - | - | - | - | - | - | - | - | - |
| Training and development | - | - | - | - | - | - | - | - | - |
| Operating payments | - | - | - | - | - | - | - | - | - |
| Venues and facilities | - | - | - | - | - | - | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 773 473 | 808 877 | 914 416 | 904 783 | 904 783 | 996 829 | 924 766 | 964 241 | 1 024 634 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 773 473 | 808 877 | 914 416 | 904 783 | 904 783 | 996 829 | 924 766 | 964 241 | 1 024 634 |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | 773 473 | 808 877 | 914 416 | 904 783 | 904 783 | 996 829 | 924 766 | 964 241 | 1 024 634 |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | 773 473 | 808 877 | 914 416 | 904 783 | 904 783 | 996 829 | 924 766 | 964 241 | 1 024 634 |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 1 236 648 | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | 1 236 648 | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | 1 236 648 | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 2 157 272 | 2 394 259 | 2 526 431 | 2 752 384 | 2 752 384 | 2 844 430 | 2 759 623 | 2 815 406 | 3 008 345 |

Table 12.I : Payments and estimates by economic classification: Transport Disaster Mgt grant (Prog 2: Transport Infrastructure)

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 29 736 | - | - | - | - | - | - | - | - |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Goods and services | 29 736 | - | - | - | - | - | - | - | - |
| Contractors | 29 736 | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 29 736 | - | - | - | - | - | - | - | - |

Table 12.J : Payments and estimates by economic classification: Public Transport Operations grant (Prog 3: Transport Operations)

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | - | - | - | - | - | - | - | - |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Goods and services | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 773 473 | 808 877 | 914 416 | 904 783 | 904 783 | 996 829 | 924 766 | 964 241 | 1 024 634 |
| Public corporations and private enterprises | 773 473 | 808 877 | 914 416 | 904 783 | 904 783 | 996 829 | 924 766 | 964 241 | 1 024 634 |
| Private enterprises | 773 473 | 808 877 | 914 416 | 904 783 | 904 783 | 996 829 | 924 766 | 964 241 | 1 024 634 |
| Other transfers | 773 473 | 808 877 | 914 416 | 904 783 | 904 783 | 996 829 | 924 766 | 964 241 | 1 024 634 |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 773 473 | 808 877 | 914 416 | 904 783 | 904 783 | 996 829 | 924 766 | 964 241 | 1 024 634 |

Table 12.K : Payments and estimates by economic classification: EPWP Inte. Grant for Provinces (Prog 2: Transport Infrastructure)

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 117 415 | 84 211 | 88 487 | 59 443 | 59 443 | 59 443 | 55 602 | - | - |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Goods and services | 117 415 | 84 211 | 88 487 | 59 443 | 59 443 | 59 443 | 55 602 | - | - |
| Contractors | 117 415 | 84 211 | 88 487 | 59 443 | 59 443 | 59 443 | 55 602 | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 117 415 | 84 211 | 88 487 | 59 443 | 59 443 | 59 443 | 55 602 | - | - |

Table 12.L : Payments and estimates by economic classification: Provincial Roads Maint. grant (Prog 2: Transport Infrastructure)

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | 1 501 171 | 1 523 528 | 1 788 158 | 1 788 158 | 1 788 158 | 1 779 255 | 1 851 165 | 1 983 711 |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Goods and services | - | 1 501 171 | 1 523 528 | 1 788 158 | 1 788 158 | 1 788 158 | 1 779 255 | 1 851 165 | 1 983 711 |
| Contractors | - | 1 501 171 | 1 523 528 | 1 788 158 | 1 788 158 | 1 788 158 | 1 779 255 | 1 851 165 | 1 983 711 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 1 236 648 | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | 1 236 648 | - | - | - | - | - | - | - | - |
| Other fixed structures | 1 236 648 | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 1 236 648 | 1 501 171 | 1 523 528 | 1 788 158 | 1 788 158 | 1 788 158 | 1 779 255 | 1 851 165 | 1 983 711 |

Table 12.M : Transport - Payments of infrastructure by category

| Project name | Municipality / Region | Type of infrastructure | | Project duration | | Source of funding | Budget programme name | Targeted number of jobs for 2015/16 | Total project cost | Expenditure to date from previous years | Total available | MTEF Forward estimates | |
|--|-----------------------|--|---------|------------------|--------------|--------------------------|-----------------------|-------------------------------------|--------------------|---|-----------------|------------------------|-----------|
| | | School - primary/ secondary/ specialised; admin block; water; electricity; sanitation/toilet; fencing etc. | Units | Date: Start | Date: Finish | | | | | | | 2016/17 | 2017/18 |
| R thousands | | | | | | | | | | | | | |
| Existing infrastructure assets | | | | | | | | | | | | | |
| of which: | | | | | | | | | | | | | |
| Maintenance and repair: Current | | | | | | | | | | | | | |
| Maintenance administration | Various | Maintenance | Several | Ongoing | Ongoing | Prov. Roads Maint. grant | Programme 2 | - | - | - | 6 181 552 | 6 428 079 | 6 820 738 |
| Mechanical | Various | Maintenance | Several | Ongoing | Ongoing | Prov. Roads Maint. grant | Programme 2 | - | - | - | 3 564 126 | 3 699 845 | 3 956 093 |
| Preventative maintenance | Various | Maintenance | Several | Ongoing | Ongoing | Prov. Roads Maint. grant | Programme 2 | - | - | - | 147 940 | 151 116 | 158 672 |
| Routine maintenance | Various | Maintenance | Several | Ongoing | Ongoing | Equitable share | Programme 2 | - | - | - | 1 123 023 | 1 084 488 | 1 325 178 |
| Safety maintenance | Various | Maintenance | Several | Ongoing | Ongoing | Equitable share | Programme 2 | - | - | - | 1 398 813 | 1 458 158 | 1 531 066 |
| Special maintenance | Various | Maintenance | Several | Ongoing | Ongoing | Equitable share | Programme 2 | - | - | - | 305 074 | 378 778 | 397 717 |
| Upgrades and additions: Capital | | | | | | | | | | | | | |
| Dube TradePort roads | Various | Upgrades and additions | Several | Ongoing | Ongoing | Equitable share | Programme 2 | - | - | - | 1 635 559 | 1 727 288 | 1 813 652 |
| ARRUP roads | Various | Upgrades and additions | Several | Ongoing | Ongoing | Equitable share | Programme 2 | - | - | - | 400 000 | 420 000 | 441 000 |
| Access roads | Various | Upgrades and additions | Several | Ongoing | Ongoing | Equitable share | Programme 2 | - | - | - | 1 205 559 | 1 275 288 | 1 339 052 |
| Refurbishment and rehabilitation: Capital | | | | | | | | | | | | | |
| Heavy rehabilitation | Various | Rehabs and refurb | Several | Ongoing | Ongoing | Equitable share | Programme 2 | - | - | - | 981 867 | 1 000 946 | 1 050 993 |
| Light rehabilitation | Various | Rehabs and refurb | Several | Ongoing | Ongoing | Equitable share | Programme 2 | - | - | - | 876 867 | 889 946 | 934 443 |
| Structure rehabilitation | Various | Rehabs and refurb | Several | Ongoing | Ongoing | Equitable share | Programme 2 | - | - | - | 90 000 | 95 000 | 99 750 |
| New infrastructure assets: Capital | | | | | | | | | | | | | |
| of which: | | | | | | | | | | | | | |
| Safety engineering | Various | New infrastructure | Several | Ongoing | Ongoing | Equitable share | Programme 2 | - | - | - | 368 517 | 368 048 | 407 451 |
| Upgrade roads | Various | New infrastructure | Several | Ongoing | Ongoing | Equitable share | Programme 2 | - | - | - | 133 986 | 142 025 | 149 127 |
| Upgrade structures | Various | New infrastructure | Several | Ongoing | Ongoing | Equitable share | Programme 2 | - | - | - | 193 827 | 202 877 | 213 021 |
| Infrastructure transfers | | | | | | | | | | | | | |
| of which: | | | | | | | | | | | | | |
| Infrastructure transfers: Current | | | | | | | | | | | | | |
| Infrastructure transfers: Capital | | | | | | | | | | | | | |
| Infrastructure: Payments for financial assets | | | | | | | | | | | | | |
| Infrastructure: Leases | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | |
| Capital infrastructure | | | | | | | | | | | 6 550 069 | 6 816 127 | 7 228 189 |
| Current infrastructure | | | | | | | | | | | 2 985 943 | 3 116 282 | 3 272 096 |
| | | | | | | | | | | | 3 564 126 | 3 699 845 | 3 956 093 |

VOTE 13

Social Development

| | |
|---------------------------------|----------------------------|
| Operational budget | R 2 628 659 423 |
| MEC remuneration | R 1 821 577 |
| Total amount to be appropriated | R 2 630 481 000 |
| Responsible MEC | MEC for Social Development |
| Administering department | Social Development |
| Accounting officer | Head: Social Development |

1. Overview

Vision

The vision of the Department of Social Development (DSD) is: *A caring and self-reliant society.*

Mission statement

The department's mission is: *To transform our society by building conscious and capable citizens through the provision of integrated social development services.*

Strategic objectives

Strategic policy direction: By focussing on its role in the enhancement of the quality of life of the people of KwaZulu-Natal, the department seeks to align its operations and strategic position with the overall aim of government to ensure a long and healthy life for all, as well as to create sustainable rural communities. The strategic objectives of the department include the following:

Social welfare services

- To provide care and support social welfare services to older persons.
- To provide care and support social welfare services to persons with disabilities.
- To provide integrated community based care services to persons affected and infected by HIV and AIDS.
- To provide emergency relief to distressed individuals and households.

Children and families

- To provide equitable services that promotes functional families.
- To provide effective child care and protection services.
- To provide equitable access to Early Childhood Development (ECD) and partial care.
- To provide access to alternative care for vulnerable children.
- To provide community-based care services for children.

Restorative services

- To provide effective crime prevention and support services.
- To provide effective services to persons affected by substance abuse.
- To provide effective service to victims of crime and violence.
- To provide developmental social welfare services to persons, families and communities dependent and affected by substance abuse.

Development and research

- To promote effective and sustainable community networks.
- To provide effective support to Non-Profit Organisations (NPOs).
- To alleviate poverty through sustainable and effective community development initiatives.
- To provide reliable information on households and communities for effective social interventions.
- To provide reliable information on households and communities for effective social interventions.
- To provide an integrated and sustainable youth development services through skills development and social behavioural change programmes.
- To provide capacity building and socio economic empowerment opportunities for women.
- To provide effective youth development services.
- To provide effective support structures for women development.
- To promote population policy implementation for evidence based planning.

Core functions

- To provide developmental social welfare services.
- To provide community development services.

Legislative mandate

In carrying out these core functions, the department is governed by various Acts and policies. The basic tenets of the Constitution, as embodied in Chapter 2, contain the Bill of Rights, which emphasises equality, human dignity, freedom and security of the person, health care, food, water and social security and the rights of the child. The department administers all or part of the following Acts:

- The Constitution of South Africa (Act No. 108 of 1996)
- Not for Profit Organisations Act (Act No. 71 of 1997)
- Social Services Professions Act (Act No. 110 of 1978, as amended)
- Children's Act (Act No. 38 of 2005, as amended)
- Older Persons Act (Act No. 13 of 2006)
- White Paper on Population Policy for South Africa of 1998
- Probation Services Act (Act No. 116 of 1991, as amended)
- Prevention and Treatment of Drug Dependency Act (Act No. 20 of 1992)
- Domestic Violence Act (Act No. 116 of 1998)
- White Paper on Social Welfare, 1997
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Public Service Act (Act No. 103 of 1994) and Public Service Regulations of 2001
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Child Justice Act (Act No. 75 of 2008)
- Prevention of and Treatment for Substance Abuse Act (Act No. 70 of 2008)
- Advisory Board on Social Development Act (Act No. 3 of 2001)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Promotion of Administrative Justice Act (Act No. 3 of 2000)
- Promotion of Equality and Prevention of Unfair Discrimination Act (Act No. 4 of 2000)
- Social Assistance Act (Act No. 59 of 1992)
- Social Work Act (Act No. 102 of 1998)

- Skills Development Act (Act No. 9 of 1999)
- South African Qualifications Authority Act (Act No. 58 of 1995)

2. Review of the 2014/15 financial year

Section 2 provides a review of 2014/15, outlining the main achievements and progress made by the department, as well as providing a brief discussion on the challenges and new developments.

Services to older persons

Awareness programmes on human rights, protocol on the management of elderly abuse and the rights of older persons were undertaken for all service centres that are located at the Amajuba and uThungulu District Municipalities. The department, in partnership with Methodist church members, observed the International Day for Elder Abuse in Shakaville in the Ilembe District Municipality.

Services to persons with disabilities

The department conducted an awareness programme for children with learning disabilities at the Durban City Hall, attended by about 400 children and youth with learning disabilities from eThekweni, Ilembe District Municipality, Non-Government Organisations (NGOs) and civil society. The department, in partnership with the Office of the Premier (OTP), the disability sector and other government departments, reviewed the KZN Integrated Disability Strategy and participated in a consultative workshop.

HIV and AIDS programme

The department partnered with the National Aids Convention of South Africa (NACOSA) to strengthen child care forums in the Umkhanyakude District Municipality. Psychosocial services were provided to 30 920 orphaned and vulnerable children. The department appointed 193 community care-givers (CCGs) which are paid from the Social Sector EPWP Incentive Grant for Provinces. The *Isibindi* model has been rolled out in the province resulting in the capacity development of 2 090 child youth care workers (CYCWs) and the establishment of 30 sites in the province. Assessment panels for recognition of child-headed households in terms of Section 137 of the Children's Act were established and functional.

Child care and protection services (Children's Act)

The department conducted audits of 64 designated child protection organisations in 11 districts to ensure compliance with the Children's Act. A total of 3 721 officials and stakeholders were screened against the Child Protection Register across the province. Databases of children awaiting foster care placements in foster care are in place. A provincial draft strategy on Prevention and Early Intervention programme (PEIP) was developed in partnership with stakeholders.

Early childhood development and partial care

A total of 380 ECD centres were registered with 11 721 children and also 165 ECD programmes registered with 9 834 children. The department funded 2 non-centre based ECD programmes reaching 639 children at Jozini and Mtubatuba Local Municipalities. A provincial Integrated ECD action plan for 2014/15 was reviewed and implemented during 2014/15 financial year. The department facilitated provincial consultation on ECD Policy and Comprehensive ECD programme. A total of 21 dialogues were conducted with focus on ECD from the following districts: Ugu, uMgungundlovu, Ilembe, Harry Gwala, uThungulu, Umkhanyakude and Zululand.

Child and youth care centres (CYCCs)

The department developed a provincial integrated plan for children living and working on the streets and in Child and Youth Care Centres (CYCCs) in partnership with relevant stakeholders. A total of 23 children were reintegrated into formal/bridging school programmes, 135 reached through implementation of early intervention programmes and 498 benefited from independent living programmes implemented in CYCCs. A total of 71 children from CYCCs and 61 from the street were re-united with their families. The department managed four CYCCs offering a secure care programme for children in conflict with the law.

Victim empowerment

Shelters for victims of gender-based violence were expanded to include six White Door Centres of Hope in eThekweni south. In responding to gender-based violence in the province, the department partnered with

the national gender-based violence centre in rendering services to victims who utilise the gender-based violence command centre.

Substance abuse programme

Prevention and awareness was intensified through the implementation of the *Kemoja* and the *Wake Up* call programmes. The department sustained the funding and monitoring of 20 NPOs rendering in-patient, out-patient, half-way house, prevention services, and community-based services. Compliant treatment centres and half-way houses were registered.

Institutional capacity building and support

Departmental NPO forums were established in all district and local municipalities. The department launched the NPO provincial forum in uMgungundlovu, where 680 NPOs have been capacitated on conflict, project and financial management, as well as resource mobilisation.

Poverty alleviation and sustainable livelihood

The department established five Community Nutrition Development Centres (CNDCs) in Ugu, Umkhanyakude, Umzinyathi, uMgungundlovu districts and eThekweni Metro. These CNDCs contributed to the reduction of people that are in a severe state of not accessing food by distributing prepared and non-perishable food and linking people to sustainable economic activities, thereby reducing their dependency on hand-outs.

Community based research and planning, youth and women development and population policy promotion

The department developed 103 community based plans over and above the plans that had been developed in areas where partnership could not be attained. A total of 120 functional youth clubs were established benefitting 3 000 youth people from its programmes. Workshops focusing on women in leadership and development, women's legal and human rights, and financial wellness, were conducted.

3. Outlook for the 2015/16 financial year

Section 3 looks at the key focus areas of 2015/16, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments.

The bulk of the department's budget allocation is for the provision of personnel. This is reflected in the 2015/16 MTEF budget allocation, whereby *Compensation of employees* has the largest share of the departmental budget at 48.8 per cent. The department will utilise these funds toward the provision of social work practitioners in an effort to meet the norms and standards as per the Integrated Service Delivery Model. The increase in the budget over the 2015/16 MTEF includes national priority funding allocated for the improvement of the quality of services provided to NGOs, which the department will be utilising to appoint more financial monitors for financial management capacity building to NPOs. Due to budget constraints, the department will not be absorbing further social work graduates, but has reprioritised funds from within its budget in order to fund the carry-through costs for the graduates that have been absorbed to date.

The additional funding for the *Isibindi* model will also be utilised to employ more CCGs who provide Home Community Based Care services (HCBC). Financial support to NGOs will continue to be provided for delivery of social welfare services. The main priority in infrastructure will be refurbishment and upgrades of service offices through continued reprioritisation and implementation of the department's cost-containment plan. These include the Inanda service office, Osizweni service office, etc.

Services to older persons and persons with disabilities

The department will intensify education and awareness programmes to prevent older persons' abuse and promote their rights. Partnerships with other departments, municipalities and NGOs will be strengthened to ensure integration in the delivery of services to older persons. Community-based care and support services will be established and the Register on Older Persons Abuse administered. Partnerships with uShaka Marine World to expose people with disabilities to marine life for psychological wellness and therapy will be established.

HIV and AIDS programme

The department will intensify education and awareness programmes to contribute toward the prevention of new infections and reduction in the prevalence rate of HIV and AIDS. The expansion of services will focus on the roll-out of the *Isibindi* model, a community-based programme that trains unemployed community members in accredited, integrated child and youth care services for child-headed households and vulnerable families.

Care and services to families

The implementation of fatherhood programmes in all districts, programmes targeted at teenage parents, as well as marriage preparation and enrichment programmes for married couples will receive special attention.

Child care and protection services (Children's Act)

Focus will be placed on child protection organisations to ensure compliance with the Children's Act. The provincial register on children awaiting foster care and the provincial register on children in foster care will be developed in line with norms and standards. The provincial strategy on PEIP will be developed, and the implementation thereof will be monitored.

Early childhood development and partial care

The department intends to strengthen its monitoring and evaluation of the Provincial Integrated ECD action plan to ensure the improvement of ECD services in the province. The department will commence with the registration of partial care facilities and programmes, in line with the provisions of the Children's Act. The department intends to facilitate the Provincial Integrated ECD Committee to ensure inter-sectoral collaboration with regard to ECD services.

Child and youth care centres

A schedule of children in need of care and protection placed in funded CYCCs will be developed in 2015/16 in order to ensure re-integration and re-unification of children with their families. The department intends to implement the integrated action plan for children living and working on the streets and CYCCs in order to ensure that programmes implemented improve the lives of these children.

Community-based care services to children

The department intends to implement various programmes, such as assessment panels for child-headed households, a provincial child-headed household plan, a provincial integrated action plan for children living and working on the streets, in order to facilitate the registration of drop-in centres, as well as the recognition of child-headed households and monitoring of services rendered to these households, in line with the Children's Act.

Crime prevention and support

Four CYCCs, which provide secure care programmes for children in conflict with the law, will be managed and the programmes within the centres strengthened. The department will fund and monitor eight NPOs in the field of crime prevention and support. The department will co-ordinate structures in order to facilitate intersectoral collaboration within the province and nationally.

Victim empowerment

The department will intensify prevention programmes for gender-based violence through the implementation of Men and Boys programmes, the gender-based violence command centre and the intersectoral action plan. Expansion of services will focus on the implementation of the White Door Centres of Hope to other districts and establishing shelters for abused women and children in Ugu, Umzinyathi, Zululand and Harry Gwala districts.

Substance abuse programme

The department will monitor the implementation of the Prevention and Treatment for Substance Abuse Act and the National Drug Master Plan. In order to facilitate intersectoral collaboration, the department will co-ordinate the Provincial Anti-Substance Abuse Forum, facilitate the establishment of outstanding district forums and local drug action committees. All compliant treatment centres, half-way houses, and community-based services will be registered in line with the above-mentioned act.

Institutional capacity building and support

The department will focus on enhancing and strengthening the capacity of NPOs on administration, compliance and governance, effective functioning of NPO forums at all levels, establishment and management of NPO help desks, provision of the funded NPO monitoring activities, as well as phasing in of standard operating procedures.

Poverty alleviation and sustainable livelihood

The department will focus on ensuring food security through the expansion of the CNDCs. The department will ensure support of poverty reduction initiatives and will increase the number of households accessing food through food security programmes 9 465 and 21 569 people accessing food through DSD feeding programmes (centre based). Community mobilisation will receive more attention.

Community-based research and planning, youth and women development and population policy promotion

The department will conduct 9 504 household profiles, 1 066 community profiles and develop 785 community-based plans. It will focus on the roll-out and strengthening life skills and leadership programmes for youth and women development. Capacity building session for all stakeholders on major population concerns that affect vulnerable groups within the province will be conducted. Special focus will be on conducting research and compiling demographic profiles to inform planning.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 13.1 below gives the sources of funding for the Department of Social Development over the seven-year period, 2011/12 to 2017/18. The table also compares actual and budgeted receipts against actual and budgeted payments. Details are presented in *Annexure – Vote 13: Social Development*.

The budget growth reflects an upward trend over the seven-year period. As depicted in Table 13.1 below, the total receipts for Vote 13 increase from R1.952 billion in 2011/12 to R2.906 billion in 2017/18.

Table 13.1 : Summary of receipts and financing

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Equitable share | 1 948 462 | 2 047 812 | 2 276 243 | 2 461 206 | 2 453 014 | 2 453 014 | 2 627 481 | 2 767 560 | 2 905 938 |
| Conditional grants | 3 821 | - | 14 610 | 5 746 | 5 746 | 5 746 | 3 000 | - | - |
| Social Sector EPWP Incentive Grant for Provinces | 3 821 | - | 14 610 | 3 746 | 3 746 | 3 746 | 3 000 | - | - |
| EPWP Integrated Grant for Provinces | - | - | - | 2 000 | 2 000 | 2 000 | - | - | - |
| Total receipts | 1 952 283 | 2 047 812 | 2 290 853 | 2 466 952 | 2 458 760 | 2 458 760 | 2 630 481 | 2 767 560 | 2 905 938 |
| Total payments | 1 934 257 | 1 985 386 | 2 329 906 | 2 497 952 | 2 489 760 | 2 489 760 | 2 630 481 | 2 767 560 | 2 905 938 |
| Surplus/(Deficit) before financing | 18 026 | 62 426 | (39 053) | (31 000) | (31 000) | (31 000) | - | - | - |
| Financing | | | | | | | | | |
| of which | | | | | | | | | |
| Provincial roll-overs | - | - | 24 094 | - | - | - | - | - | - |
| Provincial cash resources | - | 14 355 | 1 000 | 31 000 | 31 000 | 31 000 | - | - | - |
| Surplus/(Deficit) after financing | 18 026 | 76 781 | (13 959) | - | - | - | - | - | - |

In 2011/12, the Social Sector EPWP Incentive Grant for Provinces was introduced. The department did not receive the grant in 2012/13. In 2013/14, the department received R14.610 million and in 2014/15 R3.746 million was allocated in respect of this grant. In 2014/15, the department was further allocated R2 million relating to the EPWP Integrated Grant for Provinces. The department has further been allocated an amount of R3 million in respect of the Social Sector EPWP Incentive Grant for Provinces in 2015/16, and no allocation has been made for the EPWP Integrated Grant for Provinces over the two outer years, at this stage.

The department under-spent its allocation by R18.026 million in 2011/12, mainly due to delays in filling funded vacant posts attributed to the review of the departmental structure. In addition, there was low spending on maintenance of existing infrastructure. Also contributing was the Provincial Treasury intervention in SCM and delays in signing of SLAs with NPOs, and the fact that the implementation of transfers is from the date of signing with no arrear payments, as per recommendation by the A-G.

The department received provincial cash resources of R14.355 million in 2012/13, of which R13.681 million was to fund the higher than anticipated 2012 wage agreement. The balance of R674 000 relates to funds received in the Provincial Revenue Fund after 2011/12 had closed, for the Social Sector EPWP Incentive Grant for Provinces. The department under-spent against the 2012/13 budget by R76.781 million mainly as a result of the extension of infrastructure projects completion dates by the Independent Development Trust (IDT), after the completion of a value for money audit. The objectives of this audit, which was commissioned by the department were, among others, to assess all infrastructure projects undertaken by IDT, conduct a cost analysis, determine value for money and assess compliance with industry best practices. Also contributing to the under-spending was the non-purchase of furniture and office equipment as the office buildings were not completed.

In 2013/14, the department received a roll-over of R24.094 million relating to 2012/13 commitments in respect of child care and protection services infrastructure projects. Also, R1 million was allocated from provincial cash resources for the Operation *Sukuma Sakhe* (OSS) initiatives, as identified by the MEC, aimed at improving the lives of the people of KZN. The department over-spent the budget by R13.959 million, mainly due to the introduction of new services related to *Transfers and subsidies to: Non-profit institutions* for ECD and HCBC. Also contributing to the over-expenditure was the department's attempts to address the poor condition of some of its facilities including the Newlands Park substance abuse centre and the Newcastle School of Industries facilities, and other projects from 2012/13 which were completed in 2013/14. These include the KwaNgwanase, Mnyiseni and KwaHlabisa community development centres (CDCs).

This over-expenditure resulted in unauthorised expenditure in terms of the adoption of the SCOPA resolutions by the Legislature in December 2014. Thus, in terms of Section 34(2) of the PFMA, the department is liable for the repayment of the over-expenditure. This resulted in the first instalment of the first charge of R6.980 million being implemented against the budget in 2015/16 and the second instalment of R6.979 million in 2016/17. This is reflected as a footnote in Tables 13.4 and 13.5 below.

In 2014/15, the department was allocated R31 million from provincial cash resources, which relates to the *Isibindi* model funds suspended in 2013/14, as the department had indicated that these funds will be used in 2014/15 in line with the approved implementation plan. The 2014/15 Adjusted Appropriation reflects a decrease of R8.192 million, relating to the first charge amount of R7.961 million against the vote for the irregular expenditure from the previous years, as well as the suspension of R231 000 in respect of the centralisation of funds for external bursaries under OTP. It is anticipated that the department will have a balanced budget at year-end in line with continuous reprioritisation and internal cost-containment plan.

The budget shows a healthy increase over the 2015/16 MTEF mainly due to the funding allocated for national priorities such as support to NGO sector, carry-through costs for absorbed social work graduates, provision of victim of gender-based violence services, as well as inflationary increments.

4.2 Departmental receipts collection

Table 13.2 provides a summary of the receipts that the department is responsible for collecting.

Table 13.2 : Summary of departmental receipts collection

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 4 753 | 4 770 | 4 724 | 5 437 | 5 437 | 3 476 | 5 775 | 6 150 | 6 458 |
| Transfers received | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | - | 15 | 23 | 24 | 24 | - | 26 | 28 | 29 |
| Sale of capital assets | - | 3 494 | - | 450 | 450 | 3 018 | 500 | 533 | 560 |
| Transactions in financial assets and liabilities | 11 664 | 4 991 | 1 491 | 1 020 | 1 020 | 948 | 1 071 | 1 130 | 1 187 |
| Total | 16 417 | 13 270 | 6 238 | 6 931 | 6 931 | 7 442 | 7 372 | 7 841 | 8 233 |

Sale of goods and services other than capital assets is the major source of revenue for the department, which consists of income derived from commission on insurance and garnishees, housing rent, patient fees (collected from two rehabilitation centres) and the sale of hand crafts that are produced by state-run centres. The department is anticipating to under-collect its 2014/15 revenue budget against this category. This is due to the current renovations at Osizweni Handicraft centre which have affected the production of goods. In addition, Nduduzweni Blind centre could not produce furniture due to challenges with service providers, in respect of the canes used for production of furniture. The increase over the MTEF is based on historical performances and inflationary increments.

Interest, dividends and rent on land is in respect of interest on debt recoveries from ex-employees. The MTEF projections are based on historical collections. This category is difficult to project for accurately as it is driven by interest bearing debt whose quantum cannot be predicted with certainty.

Sale of capital assets relates to the disposal of redundant motor vehicles and equipment. The peak in 2012/13 was due to better than anticipated performance of auctions in that year. The department projects to substantially over-collect its 2014/15 budget, mainly due to the sale of a number of redundant motor vehicles. Growth over the MTEF is based on previous collection coupled with conservative growth.

Transactions in financial assets and liabilities relates to recoveries from stale cheques, recovery of staff debts such as salary over-payments, breached bursary contracts, etc. In 2011/12, the peak in collection was due to the process of debt write-offs that was done in 2010/11 and, to a lesser extent, in 2011/12. The relatively high collection in 2012/13 was due to the debts written-off relating to NPOs. Over the 2015/16 MTEF, the growth is due to the ongoing commitment by the department to collect outstanding debts.

4.3 Donor funding – Nil

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregate level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in *Annexure – Vote 13: Social Development*.

5.1 Key assumptions

The following key assumptions form the basis of the 2015/16 MTEF budget of the department:

- National Treasury imposed fiscal consolidation cuts on the equitable share and conditional grant allocations of provinces for 2015/16 and 2016/17. In KZN, the bulk of the equitable share cut is absorbed by reducing the Contingency Reserve, stopping of the Strategic Cabinet Initiatives Fund, etc. As part of the fiscal consolidation, National Treasury has not provided any funding for the carry-through costs of the 2014 wage agreement, and the department therefore had to fund these by internal reprioritisation and lowering growth of non-essential item budgets.
- All inflation related increases are based on CPI projections.
- Provision was made for an inflationary wage adjustment of 5.6, 5.5 and 5 per cent for each of the three years of the 2015/16 MTEF. The department also provided for the 1.5 per cent pay progression.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2014/15, will continue to be adhered to over the 2015/16 MTEF, in conjunction with National Treasury Instruction 01 of 2013/14: Cost-containment measures. However, the provincial cost-cutting measures have been updated to include those that were adopted by the Committee of HODs (COHODs) in December 2014, and an updated circular has been reissued to departments and public entities.
- Provisions have been made for the filling of critical vacant posts, bearing in mind the moratorium, as well as carry-through costs for the absorbed social work graduates. Furthermore, the national priority for support to the NGO sector and *Isibindi* model will be utilised for the appointment of finance monitors for financial management support to NPOs, as well as appointment of CCGs.

5.2 Additional allocations for the 2013/14 to 2015/16 MTEF

Table 13.3 shows additional funding received by the department over the three MTEF periods: 2013/14, 2014/15 and 2015/16. Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants.

The purpose of the table is two-fold. Firstly, it shows the quantum of additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated. The carry-through allocations for the 2013/14 and 2014/15 MTEF periods (i.e. for the financial year 2017/18) are based on the incremental percentage used in the 2015/16 MTEF.

Table 13.3 : Summary of additional provincial allocations for the 2013/14 to 2015/16 MTEF

| R thousand | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|--|---------------|---------------|----------------|----------------|----------------|
| 2013/14 MTEF period | 16 595 | 45 142 | 94 409 | 98 752 | 103 689 |
| Census data update and 1%, 2% and 3% baseline cuts | (31 200) | (63 535) | (78 815) | (82 440) | (86 563) |
| National priorities: | 47 795 | 108 677 | 173 224 | 181 192 | 190 252 |
| Absorption of social work graduates | 26 070 | 65 645 | 109 303 | 114 331 | 120 047 |
| Support to the NGO sector | 21 725 | 43 032 | 63 921 | 66 861 | 70 204 |
| 2014/15 MTEF period | | 45 691 | 21 236 | 23 184 | 24 343 |
| Suspension of <i>Isibindi</i> model from 2013/14 | | 31 000 | - | - | - |
| Carry-through of previous wage agreements | | 7 064 | 13 640 | 15 761 | 16 549 |
| Centralisation of communications budget under OTP | | (3 100) | (3 100) | (3 242) | (3 404) |
| National priorities: | | 10 727 | 10 696 | 10 665 | 11 198 |
| Provision of shelters for victims of gender-based violence | | 10 727 | 10 696 | 10 665 | 11 198 |
| Total | 16 595 | 90 833 | 115 645 | 121 936 | 128 033 |

In the 2013/14 MTEF, the department received additional national priority funding for the absorption of social work graduates. In an attempt to address the shortage of social workers in the country, the national DSD initiated a scholarship programme in conjunction with provincial DSDs where, upon graduation, social work graduates would be absorbed by provincial departments. The department will use these funds for the carry-through costs for the absorbed social work graduates since it would not be absorbing any additional graduates. National priority funding was also allocated over the MTEF for the improvement of the quality of services provided by NGOs, as well as their financial sustainability.

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

In the 2014/15 MTEF, the department was allocated R31 million, being funds suspended from 2013/14 relating to the *Isibindi* model, as the department indicated that these funds will be utilised in 2014/15, in line with the approved implementation plan. The department's allocation was reduced over the 2014/15 MTEF to cater for the centralisation of parts of the communications budget under OTP. The department received additional allocations over the 2014/15 MTEF to cater for the carry-through costs of various wage agreements, as well as national priority funding for the provision of shelters for victims of gender-based violence. These funds were allocated as transfers to NPOs who run shelters for victims of gender-based violence and their children. The allocation was for a 35 per cent increase in bed capacity from 1 583 to 2 137. This is in addition to the current transfers to NPOs for shelter services and therefore this additional allocation is meant to complement current shelter service provision.

With regard to the 2015/16 MTEF, the department is not allocated additional funding.

5.3 Summary by programme and economic classification

The services rendered by the department are categorised under five programmes, which are aligned to the uniform budget and programme structure for the Social Development sector.

The department is still in the process of ensuring that clear and accurate information is available for each sub-programme for budgets and expenditure, as well as the number of clients receiving each service and number of support staff providing each service.

As explained previously, the department is liable for the repayment of the previous year's over-expenditure, resulting in a first charge against the department's budget in 2015/16 and 2016/17, which is reflected under the affected programmes where the unauthorised expenditure occurred against *Payments for financial assets*. This is reflected as a footnote in the tables below.

Tables 13.4 and 13.5 provide a summary of payments and budgeted estimates for the five budget programmes of the department, as well as per economic classification.

The department's budget reflects positive growth from 2011/12 to 2017/18. The factors that contribute to the upward trend include policy changes that impact on the provisioning of social welfare services, various national priorities, the OSD for social workers, carry-through costs of previous wage agreements, as well as an increase in the number of personnel.

The bulk of the budget comprises *Compensation of employees* and *Transfers and subsidies to: Non-profit institutions*, in line with the department's core functions.

Table 13.4 : Summary of payments and estimates by programme: Social Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 370 697 | 389 758 | 454 531 | 444 523 | 453 568 | 492 562 | 515 563 | 538 299 | 563 834 |
| 2. Social Welfare Services | 424 782 | 529 721 | 604 064 | 509 926 | 513 863 | 670 007 | 626 435 | 644 432 | 675 104 |
| 3. Children and Families | 814 802 | 721 061 | 838 410 | 985 143 | 969 643 | 894 742 | 973 617 | 1 046 599 | 1 103 533 |
| 4. Restorative Services | 170 067 | 182 233 | 202 074 | 288 131 | 282 457 | 228 913 | 292 540 | 296 083 | 310 047 |
| 5. Development and Research | 153 909 | 162 613 | 230 827 | 270 229 | 270 229 | 203 536 | 222 326 | 242 147 | 253 420 |
| Total | 1 934 257 | 1 985 386 | 2 329 906 | 2 497 952 | 2 489 760 | 2 489 760 | 2 630 481 | 2 767 560 | 2 905 938 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (6 980) | (6 979) | - |
| Baseline available for spending after 1st charge | 1 934 257 | 1 985 386 | 2 329 906 | 2 497 952 | 2 489 760 | 2 489 760 | 2 623 501 | 2 760 581 | 2 905 938 |

Table 13.5 : Summary of payments and estimates by economic classification: Social Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 1 033 142 | 1 200 137 | 1 371 129 | 1 492 215 | 1 529 301 | 1 527 107 | 1 668 481 | 1 748 116 | 1 835 519 |
| Compensation of employees | 692 531 | 848 598 | 1 015 767 | 1 093 582 | 1 152 521 | 1 155 427 | 1 282 962 | 1 343 338 | 1 410 504 |
| Goods and services | 340 598 | 351 481 | 355 036 | 398 633 | 376 745 | 371 603 | 385 519 | 404 778 | 425 015 |
| Interest and rent on land | 13 | 57 | 326 | - | 35 | 77 | - | - | - |
| Transfers and subsidies to: | 732 326 | 591 367 | 753 308 | 839 119 | 793 841 | 812 014 | 780 616 | 838 121 | 881 409 |
| Provinces and municipalities | 35 678 | 516 | 365 | 1 670 | 1 670 | 824 | 1 747 | 1 840 | 1 933 |
| Departmental agencies and accounts | 1 025 | 804 | 6 049 | 1 157 | 1 157 | 567 | 1 321 | 1 684 | 1 768 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | 16 607 | 13 500 | 10 500 | 5 785 | - | - | - |
| Non-profit institutions | 691 989 | 587 284 | 713 172 | 803 011 | 760 733 | 783 473 | 756 768 | 812 206 | 854 198 |
| Households | 3 634 | 2 763 | 17 115 | 19 781 | 19 781 | 21 365 | 20 780 | 22 391 | 23 510 |
| Payments for capital assets | 167 912 | 190 439 | 205 469 | 166 618 | 166 618 | 150 639 | 174 404 | 174 344 | 189 010 |
| Buildings and other fixed structures | 139 909 | 157 407 | 182 084 | 106 005 | 118 826 | 118 911 | 135 881 | 135 754 | 148 487 |
| Machinery and equipment | 27 519 | 27 785 | 22 900 | 59 438 | 46 617 | 31 225 | 36 425 | 37 670 | 39 554 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | 7 | - | - | - |
| Software and other intangible assets | 484 | 5 247 | 485 | 1 175 | 1 175 | 496 | 2 098 | 920 | 969 |
| Payments for financial assets | 877 | 3 443 | - | - | - | - | 6 980 | 6 979 | - |
| Total | 1 934 257 | 1 985 386 | 2 329 906 | 2 497 952 | 2 489 760 | 2 489 760 | 2 630 481 | 2 767 560 | 2 905 938 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (6 980) | (6 979) | - |
| Baseline available for spending after 1st charge | 1 934 257 | 1 985 386 | 2 329 906 | 2 497 952 | 2 489 760 | 2 489 760 | 2 623 501 | 2 760 581 | 2 905 938 |

Programme 1: Administration reflects fairly steady growth from 2011/12 to 2014/15, with a substantial increase over the 2015/16 MTEF. The programme experienced spending pressures against *Goods and services* in 2011/12, caused mainly by contractual obligations that are centralised under Programme 1, such as increased costs relating to audit fees, legal fees, forensic investigations and operating expenditure such as security services, municipal services and travel and subsistence, etc. The high 2013/14 amount compared to the 2014/15 Main Appropriation was inflated by over-expenditure which resulted from the unbudgeted re-grading of levels 4 to 5, 9 to 10 and 11 to 12 posts, in line with PSCBC resolution 3 of 2009, the carry-through costs of the 2012 wage agreement, as well as the implementation of the district management model, whereby the department now has an office in each district municipality, hence the increased operational costs. The increase in the 2014/15 Adjusted Appropriation relates to the enforced savings and reprioritisation from other programmes to offset spending pressures against *Compensation of employees* due to the higher than budgeted 2014 annual wage adjustment, and previously mentioned pressures. The high 2014/15 Revised Estimate relates to the pressures against *Compensation of employees* which could not be fully funded by in-year reprioritisation. Furthermore, the centralised operational costs for the department also exacerbate the pressures against *Goods and services*, including property payments and computer services. The increased allocation over the 2015/16 MTEF provides for the anticipation that funded critical vacant posts will be filled, taking into account the moratorium on the filling of non-critical vacant posts, the centralisation of some operational cost such as training and development, as well as inflationary increments.

Programme 2: Social Welfare Services reflects an upward trend over the seven-year period. The increase from 2011/12 to 2013/14 is mainly due to national priorities, including the OSD for social workers, ECD and HCBC. The substantial increase in 2013/14 was inflated by the over-expenditure due to higher than expected payments for new services including additional NGOs providing ECD and HCBC services. The decrease in the 2014/15 Main Appropriation is ascribed to the attempts by the department to align to the new budget programme structure which was implemented effective from 1 April 2014. The increase in the 2014/15 Adjusted Appropriation was due to reprioritisation of funds from other programmes to cater for the spending pressures against *Buildings and other fixed structures*. This relates to projects pertaining to upgrades and refurbishment of state facilities and service offices which are in a poor condition and some of which have been condemned and shut down, including Ngwelezane service office, Excelsior Place of Safety, and Kwabadala Old Age Home. In this regard, some of the functions which had previously been against this programme were moved to the two additional programme i.e. Children and Families and Restorative Services. The increase in the 2014/15 Revised Estimate relates to the anticipated claims from Department of Public Works (DOPW) and IDT with regard to infrastructure projects and carry-through costs for the new transfer services introduced in 2013/14. The 2015/16 allocation includes the Social Sector EPWP Incentive Grant for Provinces which is allocated on an annual basis for the appointment of CCGs and is based on the previous year's performance, hence no funds are allocated in the two outer years of the 2015/16 MTEF, at this stage. The budget over the 2015/16 MTEF grows steadily, mainly due to the grant allocation, anticipated filling of critical posts and carry-through costs for absorbed social work graduates, as well as supervisor posts.

Programme 3: Children and Families shows strong growth over the period under review. The low amount in 2012/13 was due to the delays in submission of claims by IDT and DOPW, as well as the slow progress on infrastructure projects which were completed in 2013/14. These include the KwaNgwanase, Mnyiseni and KwaHlabisa CDCs. The decrease in the 2014/15 Adjusted Appropriation and Revised Estimate relates mainly to an extensive reprioritisation exercise relating to the internal departmental cost-containment plan within *Goods and services* to offset pressures against *Compensation of employees* in Programmes 1 and 2. The increases over the 2015/16 MTEF relate to national priority funding, carry-through costs for absorbed social workers and the filling of critical vacant posts.

Programme 4: Restorative Services increases over the seven-year period due to additional funding for the improvement of quality of services provided by NPOs, as well as their financial sustainability, expansion of services to children in conflict with the law and victim empowerment programmes. The decrease in the 2014/15 Adjusted Appropriation and the Revised Estimate pertains mainly to an extensive reprioritisation exercise relating to the internal departmental cost-containment plan within *Goods and services* to ease

pressures against *Compensation of employees* in Programme 1. The increase over the 2015/16 MTEF is in respect of the filling critical vacant posts and annual salary increments.

Programme 5: Development and Research reflects healthy growth over the seven-year period. The increase from 2013/14 is due to additional national priority funding that was allocated relating to the improvement of the quality of services provided by NGOs, and their financial sustainability, as well as youth development. Furthermore, the payment of IDT invoices for 2012/13 projects which were completed in 2013/14, contributed to the increase. This was aggravated by payment of tariff increases to NPOs which was backdated from 2012/13, and the introduction of new services. The decrease in the 2014/15 Revised Estimate largely relates to slower than anticipated filling of posts, resignations, and retirements. The budget shows a negative growth over the 2015/16 MTEF due to reprioritisation of funds to offset pressures in other programmes.

Compensation of employees shows strong growth the over period, primarily due to annual wage adjustments, absorption of social work graduates and conditional grant funding to cater for the payment of stipends to CCGs, as well as in-year reprioritisation. The increase in the 2014/15 Adjusted Appropriation, continued in the Revised Estimate, can be attributed to the carry-through costs for absorbed social work graduates, as well as the higher than budget 2014 annual wage adjustment. The increase over the 2015/16 MTEF is in respect of filling vacant posts in line with the moratorium on the filling of non-critical posts, carry-through costs for absorbed social work graduates, national priority funding for appointment of CCGs and finance monitors, as well as the annual salary increments.

Goods and services reflects a steady increase over the seven-year period, attributed to the increased costs in respect of audit fees, legal fees, forensic investigations and operating expenditure such as security services, municipal services and travel and subsistence, etc. The decrease in the 2014/15 Adjusted Appropriation and the Revised Estimate relates to an extensive reprioritisation exercise, in line with the department's internal cost-containment plan on items such as catering, consultants' fees, computer services, etc., where savings were redirected areas, such as *Compensation of employees*, in order to remain within budget. In addition, the decrease in the 2014/15 Adjusted Appropriation is attributed to the previously mentioned first charge as a result of the previous years' irregular expenditure. The low growth in 2015/16 is due to the reprioritisation in order to offset pressures in personnel as previously mentioned. The gradual increase in the two outer years includes the allocation for financial management capacity building which was moved from *Transfers and subsidies to: Public corporations and private enterprises* due to the unsatisfactory performance of the National Development Agency (NDA). Provision is also made for inflationary increases.

Expenditure against *Interest and rent on land* relates to interest paid on overdue accounts.

Transfers and subsidies to: Provinces and municipalities fluctuates over the period under review in respect of the payments for motor vehicle licences. The high amount 2011/12 relates to a once-off transfer of R35 million to the Umkhanyakude District Municipality for the expansion of ECD infrastructure in the district. The decrease in 2013/14 relates to delays in the submission of invoices by the Department of Transport (DOT), accounting for the increase in 2014/15. The allocation over the 2015/16 MTEF provides for the anticipated purchase of new vehicles, as well as annual increases in licence renewals.

The category *Transfers and subsidies to: Departmental agencies and accounts* relates to the Health and Welfare Sector Education Training Authority (HWSETA). The amount in 2011/12 relates to the erroneous inclusion of bursary payments under this category. The substantial increase in 2013/14 relates to the payment made to HWSETA, including expenditure from previous years for which invoices were received late. The low 2014/15 Revised Estimate relates to delays in submission of invoices by HWSETA. The increase over the 2015/16 MTEF provides for inflation.

Transfers and subsidies to: Public corporations and private enterprises in 2013/14 and 2014/15 relates to transfers to the NDA for the provision of capacity building programmes for NPOs in areas such as financial management, NPO management, etc. It must be noted that the department did not have capacity to adequately conduct these programmes, hence the appointment of an implementing agent. The reduction in the 2014/15 Adjusted Appropriation and the Revised Estimate relates to unsatisfactory performance by

the implementing agent, hence the department moved funds to *Goods and services* in order to appoint a consultant to implement some of the programmes. There are no amounts over the 2015/16 MTEF due to the shifting of funds to *Goods and services*, as previously mentioned.

The high amount in 2011/12 against *Transfers and subsidies to: Non-profit institutions* relates to funding for national priorities such as ECD and HCBC, as well as once-off transfers to NPOs for the improvement of quality of services. The decrease in 2012/13 relates to the non-implementation of transfers relating to the Youth Development and Sustainable Livelihood sub-programmes due to an audit of previously funded projects and the review of standard operating procedures for the funding and monitoring of NPOs. The increase in 2013/14 largely relates to the previously mentioned higher than expected payments for new transfer services for ECD and HCBC which inflated the expenditure. The decrease in the 2014/15 Adjusted Appropriation relates to the shifting of funds regarding national priority funding for victim empowerment programmes. In the main budget, the funding was allocated against transfers to NPOs, while a portion of these funds was intended for the administration costs of implementing the programmes, including 16 days of activism against women and children abuse, etc. Furthermore, the *Isibindi* model allocation was inadvertently allocated against transfers for support of NGOs, while portion of these funds was intended for the payment of stipends for CCGs who provide HCBC services for children. The increase in the 2014/15 Revised Estimate relates to the carry-through costs for the introduction of the new services in the previous year. The increase over the 2015/16 MTEF is attributable to funding allocated for national priorities, such as child and youth care and victim empowerment, the improvement of the quality of services provided by NGOs, as well as their financial sustainability and the provision of shelters for victims of gender-based violence, as well as inflationary increments.

Expenditure against *Transfers and subsidies to: Households* relates to staff exit costs which are difficult to predict, as well as disaster relief transfers. The substantial increase in 2013/14 relates to the fact that disaster relief transfers, to cater for items such as food parcels, which were previously paid under *Goods and services*, and were moved to this category, in line with a recommendation from the A-G. The increase in 2014/15 Revised Estimate relates to the social relief pay-outs in various areas, for families in need of social relief. This also accounts for the increase over the 2015/16 MTEF.

The 2011/12 amount against *Buildings and other fixed structures* is due to the construction of one-stop development centres and the roll-out of the ECD function in KZN. The increase in 2012/13 relates to the fact that the department continued with infrastructure projects which were not completed in 2011/12 due to delays as a result of the previously mentioned value for money audit. The increase in 2013/14 relates to the payment of outstanding invoices for infrastructure projects by IDT from 2012/13, as mentioned in Programme 2. Also contributing was the department's attempts to address the poor condition of some of its facilities including the Newlands Park substance abuse centre and the Newcastle School of Industries facilities. The healthy increase over the MTEF relates to the reprioritisation by the department in order to address its dilapidated infrastructure. These facilities include Ngwelezane Place of Safety, Osizweni Handicraft Centre, KwaMashu service office, uBombo service office, among others. The Umzimkulu office and the Esplanade government building in Durban were recently condemned and shut down by the Department of Labour and alternative accommodation through leases is currently being sought.

Machinery and equipment in 2011/12 relates to the purchase of office equipment for newly appointed departmental officials. The year-on-year increase from 2011/12 to 2012/13 relates to the purchase of motor vehicles and office equipment. The decrease in 2013/14 relates to delays in the completion of new office infrastructure and CDCs, as funds earmarked for the purchase of office furniture and equipment could not be utilised. The decrease in the 2014/15 Adjusted Appropriation and the Revised Estimate is due to an extensive reprioritisation exercise relating to the department's internal cost-containment plan to offset pressures against *Buildings and other fixed structures* in order to improve infrastructure which is currently in a poor condition. The allocation over the 2015/16 MTEF provides for the anticipated purchase of furniture, office equipment and vehicles.

The 2014/15 Revised Estimate of *Land and sub-soil assets* relates to the payment for land used for infrastructure assets, such as service offices. This is land provided by traditional leaders for building state buildings in their area. The MTEF budget will be revised going forward to allocate sufficient funds.

Spending against *Software and other intangible assets* is in respect of computer software packages required by the department. The amount in 2011/12 relates to the purchase of anti-virus software and a firewall for the server. The sharp increase in 2012/13 relates to the payment of software licences, such as Microsoft. Provision was made for improvement of the ICT infrastructure and anticipated software purchases, wireless routers, network point, and IBM Flex system, Network diagram, and Windows XP PCs, etc., over the 2015/16 MTEF.

The amounts against *Payments for financial assets* from 2011/12 to 2012/13 relate to the write-off of irrecoverable staff debts. The 2015/16 and 2016/17 amounts relate to the first charge which has been split according to the programmes where unauthorised expenditure occurred, as previously explained.

5.4 Summary of conditional grant payments and estimates

Tables 13.6 and 13.7 illustrate conditional grant payments and estimates from 2011/12 to 2017/18.

Note that the historical figures in Tables 13.6 and 13.7 below reflect actual expenditure, and should not be compared to those figures reflected in Table 13.1, which represent the actual receipts for the grant.

Table 13.6 : Summary of conditional grants payments and estimates by name

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|------------|---------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Social Sector EPWP Incentive Grant for Provinces | 3 821 | 674 | 14 610 | 3 746 | 3 746 | 3 746 | 3 000 | - | - |
| EPWP Integrated Grant for Provinces | - | - | - | 2 000 | 2 000 | 2 000 | - | - | - |
| Total | 3 821 | 674 | 14 610 | 5 746 | 5 746 | 5 746 | 3 000 | - | - |

Table 13.7 : Summary of conditional grants payments and estimates by economic classification

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|------------|---------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | - | 14 610 | 5 746 | 5 746 | 5 746 | 3 000 | - | - |
| Compensation of employees | - | - | 14 610 | 5 746 | 5 746 | 5 746 | 3 000 | - | - |
| Goods and services | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 3 821 | 674 | - | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 3 821 | 674 | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 3 821 | 674 | 14 610 | 5 746 | 5 746 | 5 746 | 3 000 | - | - |

It is noted that only one grant, the Social Sector EPWP Incentive Grant for Provinces, is allocated in the first year of the 2015/16 MTEF, at this stage. The department spent R3.821 million in 2011/12 in respect of this grant. The purpose of this grant was to subsidise NPOs that work in HCBC programmes for the Departments of Social Development and Health, to ensure that volunteers that did not receive a stipend receive a minimum form of remuneration. In 2012/13, the department received R674 000 which were funds relating to 2011/12 but only received after the financial year had closed. In 2013/14, the department spent R14.610 million in respect of the payment of stipends to CCGs, who were previously employed by NPOs. In 2014/15, the department was allocated R5.746 million for the payment of stipends to CCGs.

In 2014/15, the department was allocated R2 million relating to the EPWP Integrated Grant for Provinces, to be used for the payment of stipends to CCGs.

The conditional grants fall under Programme 2: Social Welfare Services, against the sub-programme: HIV and AIDS. The Social Sector EPWP Incentive Grant for Provinces was previously reflected against *Transfers and subsidies to: Non-profit institutions*, and thereafter against *Compensation of employees* from 2013/14 (including the EPWP Integrated Grant for Provinces in 2014/15) as the CCGs were appointed on PERSAL in April 2013, shown in *Annexure – Vote 13: Social Development*.

5.5 Summary of infrastructure payments and estimates

Table 13.8 summarises infrastructure spending by category over the seven-year period, while *Annexure – Vote 13: Social Development* gives details of infrastructure type.

Table 13.8 : Summary of infrastructure payments and estimates by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Existing infrastructure assets | 22 361 | 40 974 | 75 855 | 29 185 | 42 006 | 42 006 | 50 838 | 55 707 | 57 274 |
| Maintenance and repair: Current | 5 068 | 16 139 | 21 655 | 16 307 | 16 307 | 16 307 | 17 057 | 17 961 | 18 859 |
| Upgrades and additions: Capital | 10 115 | 8 861 | 37 327 | 12 878 | 12 878 | 12 878 | 13 781 | 14 746 | 15 483 |
| Refurbishment and rehabilitation: Capital | 7 178 | 15 974 | 16 873 | - | 12 821 | 12 821 | 20 000 | 23 000 | 22 932 |
| New infrastructure assets: Capital | 122 616 | 132 572 | 127 884 | 93 127 | 93 127 | 93 212 | 102 100 | 98 008 | 110 072 |
| Infrastructure transfers | 35 000 | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Current | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Capital | 35 000 | - | - | - | - | - | - | - | - |
| Infrastructure: Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure: Leases | - | - | - | - | - | - | - | - | - |
| Total | 179 977 | 173 546 | 203 739 | 122 312 | 135 133 | 135 218 | 152 938 | 153 715 | 167 346 |
| <i>Capital infrastructure</i> | <i>174 909</i> | <i>157 407</i> | <i>182 084</i> | <i>106 005</i> | <i>118 826</i> | <i>118 911</i> | <i>135 881</i> | <i>135 754</i> | <i>148 487</i> |
| <i>Current infrastructure</i> | <i>5 068</i> | <i>16 139</i> | <i>21 655</i> | <i>16 307</i> | <i>16 307</i> | <i>16 307</i> | <i>17 057</i> | <i>17 961</i> | <i>18 859</i> |

Existing infrastructure assets fluctuates from 2011/12 to 2014/15, mainly related to the additional funds allocated in the 2012/13 MTEF for three years relating to upgrades and renovations to state owned facilities in order to bring them to acceptable norms and standards. These were removed from the department's baseline from 2014/15 in line with the project requirements.

Maintenance and repair: Current reflects a significant increase in 2012/13 and grows steadily in the period under review. The increase in 2012/13 relates to repairs and maintenance projects undertaken as the department was allocated additional funds. The substantial growth in 2013/14 relates to acceleration in implementing projects due to additional funding allocated to the department for maintenance and repair of existing infrastructure assets. The decrease in 2014/15 Main Appropriation relates to the ending of additional funding in line with departmental project requirements. The steady growth over the 2015/16 MTEF is evidence of the focus being shifted to refurbishments, as most of the service offices and state facilities require major capital works.

Upgrades and additions: Capital fluctuates from 2011/12 to 2013/14. The decrease in 2012/13 compared to 2011/12 relates to delays in infrastructure projects due to the value for money audit commissioned by the department. The increase in 2013/14 includes a portion of the previously mentioned additional funding for infrastructure assets and maintenance, to cater for upgrades and additions of existing infrastructure assets, such as children's home and secure care centres, aggravated by the classification of most projects as majors works for upgrades as a result of the poor condition of the buildings. The decrease from 2014/15 is due to the removal of the additional funding. The growth over the MTEF is mainly due to planned upgrade projects for the Esplanade government building in Durban, the Osizweni handicraft centre in Amajuba, among others.

Refurbishment and rehabilitation: Capital increased in 2012/13 due to rehabilitation and renovations of state owned buildings, such as the Illovo development centre and Newlands Park rehabilitation centre. The increase in 2013/14 relates to repairs and maintenance projects which DOPW classified as rehabilitation and refurbishments. The allocation in the 2014/15 Adjusted Appropriation relates to the reprioritisation of

funds from areas such as *Machinery and equipment* in order to offset pressures related to various projects in an effort to address the poor condition of the state facilities and service offices. The steady growth over the 2015/16 MTEF highlights the department's efforts to address the conditions of office buildings, as well as state facilities including KwaBadala old age home in uThungulu.

New infrastructure assets: Capital relates to the provision of office and residential accommodation for staff in rural areas, and construction of one-stop development and secure care centres. The expenditure in 2011/12 was for the construction of one-stop development centres and new office accommodation. The decrease in 2013/14 relates to delays in completion of new infrastructure projects including the Nkunzana and KwaDambuza CDCs, mainly as a result of bad weather and slow progress in the planning stages of some projects. The allocation over the 2015/16 MTEF caters for the anticipated construction of service offices and state facilities, including the Inanda service office, the Osizweni service office and the Inkululeko Regeneration Elderly Day Care Centre and ECDC.

The amount of R35 million in 2011/12 against *Infrastructure transfers: Capital* relates to a transfer to Umkhanyakude District Municipality for the expansion of ECD facilities in the district.

5.6 Public Private Partnerships (PPPs)

The department registered a PPP for the establishment of secure care centres to accommodate awaiting trial and sentenced children. Three potential sites have been identified in Harding and one in Pietermaritzburg, which will be subjected to a preliminary site visit in 2015/16.

5.7 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

5.8 Transfers to other entities

Table 13.9 reflects transfers to entities such as NGOs, Faith-based Organisations (FBOs) and NPOs, as reflected against *Transfers and subsidies to: Non-profit institutions* and *Transfers and subsidies to: Public corporations and private enterprises* in Table 13.5. The increase over the MTEF provides for inflation, and is commented on briefly below.

The department transfers funds to almost 2 000 entities in KZN, and a list of all these entities will be made available on request. In previous years, the department listed the main entities receiving transfers from the department, while the rest were combined and categorised as *Other*. In an attempt to provide relevant information regarding transfers to these entities, the table was redesigned to indicate transfers per category and sub-programme within Programmes 2 to 5.

The table below reflects an upward trend from 2011/12 to 2017/18.

The amount in 2011/12 is mainly due to allocations for national priorities such as ECD and HCBC.

The decrease in 2012/13 is due to strict application of the Section 38(1) (j) of the PFMA, which largely affected ECD and partial care.

The increase in 2013/14 is attributed to the introduction of new services for NGOs and NPOs, as previously mentioned.

The reduction in the 2014/15 Adjusted Appropriation is attributed to the unsatisfactory performance by the implementing agent i.e. NDA, hence the department shifted funds to *Goods and services* in order to appoint a consultant for implementation of the programmes. In addition, funds were shifted to *Compensation of employees* in respect of payments of stipends to CCGs who provide HCBC services for children, in line with the business plan relating to the national priority funding for the *Isibindi* model. Furthermore, funds were moved to *Goods and services* in respect of administration of the programme activities, including 16 days of activism against women and children abuse and advocacy campaigns, etc.

The growth over the 2015/16 MTEF is attributable to additional national priority funding relating to the improvement of the quality of services provided by NGOs and their financial sustainability, youth development, provision of shelters for victims of gender-based violence.

Table 13.9 : Summary of departmental transfers to other entities

| Sub-programme | | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| R thousand | | | | | | | | | | |
| Services to Older Persons | | 100 009 | 94 493 | 106 162 | 96 586 | 96 586 | 103 779 | 99 464 | 104 736 | 109 973 |
| Homes for the Aged | 2.2: Services to Older Persons | 61 377 | 52 422 | 65 525 | 52 527 | 52 527 | 59 720 | 54 866 | 57 774 | 60 663 |
| Service Centres & Lunch Clubs | 2.2: Services to Older Persons | 30 010 | 32 378 | 31 149 | 33 908 | 33 908 | 33 908 | 34 323 | 36 142 | 37 949 |
| Welfare Organisations | 2.2: Services to Older Persons | 8 622 | 9 693 | 9 488 | 10 151 | 10 151 | 10 151 | 10 275 | 10 820 | 11 169 |
| Services to Persons with Disabilities | | 59 404 | 60 085 | 63 360 | 64 315 | 64 315 | 63 293 | 66 231 | 69 742 | 73 229 |
| Homes for the Disabled | 2.3: Services to Persons with Disab. | 35 407 | 27 262 | 28 570 | 34 971 | 34 971 | 33 949 | 36 528 | 38 464 | 40 387 |
| Protective Workshops | 2.3: Services to Persons with Disab. | 6 512 | 10 008 | 11 267 | 10 412 | 10 412 | 10 412 | 10 539 | 11 098 | 11 653 |
| Welfare Organisations | 2.3: Services to Persons with Disab. | 17 485 | 22 815 | 23 523 | 18 932 | 18 932 | 18 932 | 19 164 | 20 180 | 21 189 |
| HIV and AIDS | | 67 241 | 45 111 | 77 403 | 39 766 | 39 766 | 69 821 | 40 952 | 43 122 | 45 278 |
| Home Community-Based Care | 2.4: HIV and AIDS | 67 241 | 45 111 | 77 403 | 39 766 | 39 766 | 69 821 | 40 952 | 43 122 | 45 278 |
| Care and Services to Families | | 4 454 | 4 329 | 4 553 | 5 266 | 5 266 | 5 154 | 5 423 | 5 750 | 6 038 |
| Welfare Organisations | 3.2: Care and Services to Families | 4 454 | 4 329 | 4 553 | 5 266 | 5 266 | 5 154 | 5 423 | 5 750 | 6 038 |
| Child Care and Protection | | 81 074 | 67 152 | 74 519 | 81 194 | 81 194 | 82 110 | 82 188 | 86 544 | 90 871 |
| Private Places of Safety | 3.3: Child Care and Protection | 1 850 | - | - | 1 464 | 1 464 | 1 464 | 1 482 | 1 561 | 1 639 |
| Welfare Organisations | 3.3: Child Care and Protection | 79 224 | 67 152 | 74 519 | 79 730 | 79 730 | 80 646 | 80 706 | 84 983 | 89 232 |
| ECD and Partial Care | | 246 851 | 166 249 | 201 932 | 219 108 | 219 108 | 242 472 | 220 943 | 232 653 | 245 666 |
| ECD Centres | 3.4: ECD and Partial Care | 246 851 | 166 249 | 201 932 | 219 108 | 219 108 | 242 472 | 220 943 | 232 653 | 245 666 |
| Child and Youth Care | | 73 233 | 81 116 | 89 686 | 72 236 | 72 236 | 79 608 | 73 121 | 76 997 | 80 847 |
| Children's Homes | 3.5: Child and Youth Care | 67 021 | 73 118 | 81 254 | 64 596 | 64 596 | 71 968 | 65 387 | 68 853 | 72 296 |
| Shelters for Children | 3.5: Child and Youth Care | 6 212 | 7 998 | 8 432 | 7 640 | 7 640 | 7 640 | 7 734 | 8 144 | 8 551 |
| Community-Based Care for Children | | - | - | - | 102 079 | 64 314 | 40 319 | 33 600 | 49 654 | 52 137 |
| Drop-in Centres | 3.6: Comm-Based Care for Children | - | - | - | 102 079 | 64 314 | 40 319 | 33 600 | 49 654 | 52 137 |
| Crime Prevention and Support | | 19 825 | 18 599 | 17 625 | 21 439 | 21 439 | 18 516 | 22 077 | 23 247 | 24 409 |
| Welfare Organisations | 4.2: Crime Prevention and Support | 19 825 | 18 599 | 17 625 | 21 439 | 21 439 | 18 516 | 22 077 | 23 247 | 24 409 |
| Victim Empowerment | | 4 164 | 5 364 | 7 308 | 25 959 | 21 446 | 14 770 | 26 382 | 27 182 | 28 541 |
| Shelters for Women | 4.3: Victim Empowerment | 4 164 | 5 364 | 7 308 | 25 959 | 21 446 | 14 770 | 26 382 | 27 182 | 28 541 |
| Substance Abuse Prev. & Rehab. | | 12 181 | 12 305 | 12 664 | 19 804 | 19 804 | 15 872 | 20 393 | 21 474 | 22 548 |
| Out-patients Clinics | 4.4: Substance Abuse Prev. & Rehab. | 505 | - | 861 | 575 | 575 | 575 | 582 | 613 | 644 |
| Treatment Centres | 4.4: Substance Abuse Prev. & Rehab. | 1 950 | - | 1 076 | 3 343 | 3 343 | 3 343 | 3 384 | 3 563 | 3 741 |
| Welfare Organisations | 4.4: Substance Abuse Prev. & Rehab. | 9 726 | 12 305 | 10 727 | 15 886 | 15 886 | 11 954 | 16 427 | 17 298 | 18 163 |
| Institutional Capacity Building for NPOs | | - | - | 16 607 | 13 500 | 10 500 | 5 785 | - | - | - |
| NPO Support Programmes | 5.3: Inst. Cap. Building for NPOs | - | - | 16 607 | 13 500 | 10 500 | 5 785 | - | - | - |
| Poverty Allev. & Sust. Livelihood | | 12 574 | 21 340 | 23 036 | 11 037 | 11 037 | 12 397 | 14 773 | 17 252 | 18 115 |
| Community Dev. Projects | 5.4: Poverty Allev. & Sust. Livelihood | 12 574 | 21 340 | 23 036 | 11 037 | 11 037 | 12 397 | 14 773 | 17 252 | 18 115 |
| Youth Development | | 10 979 | 11 135 | 34 924 | 39 622 | 39 622 | 33 975 | 40 221 | 42 353 | 44 471 |
| Youth Development Projects | 5.6: Youth Development | 10 979 | 11 135 | 34 924 | 39 622 | 39 622 | 33 975 | 40 221 | 42 353 | 44 471 |
| Women Development | | - | - | - | 4 600 | 4 600 | 1 387 | 11 000 | 11 500 | 12 075 |
| Women Development Projects | 5.7: Women Development | - | - | - | 4 600 | 4 600 | 1 387 | 11 000 | 11 500 | 12 075 |
| Total | | 691 989 | 587 278 | 729 779 | 816 511 | 771 233 | 789 258 | 756 768 | 812 206 | 854 198 |

5.9 Transfers to local government

The amount of R35 million in 2011/12 against *Infrastructure transfers: Capital* relates to a transfer to Umkhanyakude District Municipality for the expansion of ECD facilities in the district.

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

5.10 Transfers and subsidies

Table 13.10 below is a summary of spending on *Transfers and subsidies* by programme and main category. The table reflects a fluctuating trend from 2011/12 to 2017/18 for the category as a whole.

Table 13.10 : Summary of transfers and subsidies by programme and main category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 3 654 | 2 149 | 5 913 | 6 509 | 6 509 | 5 240 | 7 009 | 7 585 | 7 964 |
| Provinces and municipalities | 678 | 516 | 365 | 1 670 | 1 670 | 824 | 1 747 | 1 840 | 1 933 |
| Motor vehicle licences | 678 | 516 | 365 | 1 670 | 1 670 | 824 | 1 747 | 1 840 | 1 933 |
| Departmental agencies and accounts | 1 025 | 810 | 2 809 | 1 157 | 1 157 | 533 | 1 321 | 1 684 | 1 768 |
| HWSETA | 1 025 | 810 | 2 809 | 1 157 | 1 157 | 533 | 1 321 | 1 684 | 1 768 |
| Households | 1 951 | 823 | 2 739 | 3 682 | 3 682 | 3 883 | 3 941 | 4 061 | 4 263 |
| Social benefits | 1 951 | 823 | 2 739 | 3 682 | 3 682 | 3 883 | 3 941 | 4 061 | 4 263 |
| 2. Social Welfare Services | 227 976 | 201 171 | 259 506 | 215 615 | 215 615 | 253 125 | 222 230 | 234 587 | 246 317 |
| Departmental agencies and accounts | - | - | 19 | - | - | 34 | - | - | - |
| Services to Older Persons | - | - | 19 | - | - | 34 | - | - | - |
| Non-profit institutions | 226 654 | 199 689 | 246 925 | 200 667 | 200 667 | 236 893 | 206 647 | 217 600 | 228 480 |
| Care and Services to Older Persons | 100 009 | 94 493 | 106 162 | 96 586 | 96 586 | 103 779 | 99 464 | 104 736 | 109 973 |
| Services to Persons with Disabilities | 59 404 | 60 085 | 63 360 | 64 315 | 64 315 | 63 293 | 66 231 | 69 742 | 73 229 |
| HIV and AIDS | 67 241 | 45 111 | 77 403 | 39 766 | 39 766 | 69 821 | 40 952 | 43 122 | 45 278 |
| Households | 1 322 | 1 482 | 12 562 | 14 948 | 14 948 | 16 198 | 15 583 | 16 987 | 17 837 |
| Social benefits | 1 322 | 1 482 | 12 562 | 1 895 | 1 895 | 1 194 | 1 930 | 2 610 | 2 741 |
| Social relief | - | - | - | 13 053 | 13 053 | 15 004 | 13 653 | 14 377 | 15 096 |
| 3. Children and Families | 440 964 | 319 021 | 375 393 | 480 371 | 442 606 | 450 347 | 415 828 | 452 196 | 476 187 |
| Provinces and municipalities | 35 000 | - | - | - | - | - | - | - | - |
| ECD infrastructure development | 35 000 | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | 3 221 | - | - | - | - | - | - |
| Community-Based Care Services for Children | - | - | 3 221 | - | - | - | - | - | - |
| Non-profit institutions | 405 612 | 318 846 | 370 690 | 479 883 | 442 118 | 449 663 | 415 275 | 451 598 | 475 559 |
| Care and Services to Families | 4 454 | 4 329 | 4 553 | 5 266 | 5 266 | 5 154 | 5 423 | 5 750 | 6 038 |
| Child Care and Protection | 81 074 | 67 152 | 74 519 | 81 194 | 81 194 | 82 110 | 82 188 | 86 544 | 90 871 |
| ECD and Partial Care | 246 851 | 166 249 | 201 932 | 219 108 | 219 108 | 242 472 | 220 943 | 232 653 | 245 666 |
| Child and Youth Care | 73 233 | 81 116 | 89 686 | 72 236 | 72 236 | 79 608 | 73 121 | 76 997 | 80 847 |
| Community-Based Care Services for Children | - | - | - | 102 079 | 64 314 | 40 319 | 33 600 | 49 654 | 52 137 |
| Households | 352 | 175 | 1 482 | 488 | 488 | 684 | 553 | 598 | 628 |
| Social benefits | 352 | 175 | 1 482 | 488 | 488 | 684 | 553 | 598 | 628 |
| 4. Restorative Services | 36 179 | 36 376 | 37 762 | 67 322 | 62 809 | 49 530 | 68 987 | 72 050 | 75 652 |
| Non-profit institutions | 36 170 | 36 268 | 37 597 | 67 202 | 62 689 | 49 158 | 68 852 | 71 903 | 75 498 |
| Crime Prevention and Support | 19 825 | 18 599 | 17 625 | 21 439 | 21 439 | 18 516 | 22 077 | 23 247 | 24 409 |
| Victim Empowerment | 4 164 | 5 364 | 7 308 | 25 959 | 21 446 | 14 770 | 26 382 | 27 182 | 28 541 |
| Substance Abuse, Prevention and Rehabilitation | 12 181 | 12 305 | 12 664 | 19 804 | 19 804 | 15 872 | 20 393 | 21 474 | 22 548 |
| Households | 9 | 108 | 165 | 120 | 120 | 372 | 135 | 147 | 154 |
| Social benefits | 9 | 108 | 165 | 120 | 120 | 372 | 135 | 147 | 154 |
| 5. Development and Research | 23 553 | 32 650 | 74 734 | 69 302 | 66 302 | 53 772 | 66 562 | 71 703 | 75 289 |
| Public corporations and private enterprises | - | - | 16 607 | 13 500 | 10 500 | 5 785 | - | - | - |
| Institutional Capacity Building for NPOs | - | - | 16 607 | 13 500 | 10 500 | 5 785 | - | - | - |
| Non-profit institutions | 23 553 | 32 475 | 57 960 | 55 259 | 55 259 | 47 759 | 65 994 | 71 105 | 74 661 |
| Institutional Capacity Building for NPOs | - | - | - | 13 500 | - | - | - | - | - |
| Poverty Alleviation and Sustainable Livelihoods | 12 574 | 21 340 | 23 036 | 11 037 | 11 037 | 12 397 | 14 773 | 17 252 | 18 115 |
| Youth Development | 10 979 | 11 135 | 34 924 | 39 622 | 39 622 | 33 975 | 40 221 | 42 353 | 44 471 |
| Women Development | - | - | - | 4 600 | 4 600 | 1 387 | 11 000 | 11 500 | 12 075 |
| Households | - | 175 | 167 | 543 | 543 | 228 | 568 | 598 | 628 |
| Social benefits | - | 175 | 167 | 543 | 543 | 228 | 568 | 598 | 628 |
| Total | 732 326 | 591 367 | 753 308 | 839 119 | 793 841 | 812 014 | 780 616 | 838 121 | 881 409 |

The details of the various *Transfers and subsidies* include:

- *Provinces and municipalities* in Programme 1 reflects the payment of motor vehicle licences. This function is centralised under Programme 1.
- *Departmental agencies and accounts* relates to transfers to the HWSETA. The amount in 2011/12 relates to the erroneous inclusion of bursary payments under this category. It must be noted that these transfers are centralised under Programme 1. The increase in 2013/14 relates to the payment made to HWSETA, including expenditure from previous years for which invoices were received late. The low 2014/15 Revised Estimate relates to the delay in submission of invoices by HWSETA. The increase over the 2015/16 MTEF provides for inflation.
- *Households* (all programmes) fluctuates due to staff exit costs, which are difficult to predict.
- *Non-profit institutions* in Programme 2 fluctuates over the period under review, with an evident upward trend over the 2015/16 MTEF. The high amount in 2011/12 was due to additional national priority funding for services such as ECD and HCBC, the Social Sector EPWP Incentive Grant for Provinces, as well as provision for tariff increases. The budget increases steadily over the MTEF.

- *Households* in Programme 2 is due to previously mentioned social relief transfers to cater for items such as food parcels. The increase in the 2014/15 Revised Estimate relates to assistance provided for families in need of social relief. This item is difficult to budget for due to its uncertain nature.
- Under Programme 3, the amount of R35 million reflected against *Provinces and municipalities* in 2011/12 relates to a once-off transfer made by the department to the Umkhanyakude District Municipality for the Ndumo Learner Support Centre (including ECD infrastructure development in the district).
- The high amount in 2011/12 against *Non-profit institutions* in Programme 3 was due to additional national priority funding relating to ECD infrastructure development. The increase in 2013/14 relates to the previously mentioned introduction of new services. The decrease in the 2014/15 Adjusted Appropriation relates to funding which was inadvertently allocated against transfers for support to NGOs, while a portion of these funds was intended for the payment of stipends to CCGs who provide HCBC services. The increase in the 2014/15 Revised Estimate relates to the carry-through of new services introduced in 2013/14. The 2015/16 MTEF shows a steady increase.
- Under Programme 4, the growth from 2013/14 against *Non-profit institutions* is due to additional national priority funding relating to victim empowerment. The decrease in the 2014/15 Adjusted Appropriation relates to the shifting of funds regarding national priority funding for victim empowerment programmes. In the main budget, the funding was allocated against transfers to NPOs, while a portion of these funds was intended for the administration costs of implementing the programmes, including 16 days of activism against women and children abuse, etc., against *Goods and services*. The decrease in the 2014/15 Revised Estimate relates to the reprioritisation undertaken in order to fund the administrative costs for the programme. The increases over the 2015/16 MTEF relate to additional national priority funding for the provision of shelters to victims of gender-based violence.
- The high 2013/14 amount against *Non-profit institutions* in Programme 5 relates to the previously mentioned, new services introduced, and back payments of tariff increases from 2012/13. The decrease in the 2014/15 Adjusted Appropriation and the Revised Estimate relates to previously mentioned shifting of funds for the implementing agent to *Goods and services*, as a result of unsatisfactory performance. The steady growth over the 2015/16 MTEF relates to additional national priority funding for NGO support.

6. Programme description

The services rendered by this department are categorised under five programmes, details of which are presented in *Annexure – Vote 13: Social Development*. The department complies fully with the uniform budget and programme structure for the Social Development sector.

6.1 Programme 1: Administration

Programme 1: Administration consists of three sub-programmes, namely Office of the MEC, Corporate Management Services and District Management. The sub-programmes mainly provide overall strategic management and support services to the department, political and legislative interface between government, civil society and all relevant stakeholders, address policy interpretation and the strategic direction of the department and provide support with regard to corporate management, human resource management, logistics, communication, finance, and legal services, etc.

Tables 13.11 and 13.12 below summarise payments and budgeted estimates relating to Programme 1.

The programme reflects a steady increase over the seven-year period from R370.697 million in 2011/12 to R563.834 million in 2017/18. The substantial growth in 2013/14 relates to pressures from the unbudgeted re-grading of posts, in line with the DPSA requirements. The increases over the 2015/16 MTEF are mainly attributable to inflationary increments and reprioritisation.

Table 13.11 : Summary of payments and estimates by sub-programme: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Office of the MEC | 15 140 | 13 671 | 13 453 | 16 078 | 16 078 | 12 329 | 16 818 | 17 497 | 18 371 |
| 2. Corporate Management Services | 153 778 | 165 035 | 205 556 | 190 296 | 183 841 | 187 586 | 218 257 | 258 412 | 269 953 |
| 3. District Management | 201 779 | 211 052 | 235 522 | 238 149 | 253 649 | 292 647 | 280 488 | 262 390 | 275 510 |
| Total | 370 697 | 389 758 | 454 531 | 444 523 | 453 568 | 492 562 | 515 563 | 538 299 | 563 834 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (1 271) | (1 314) | - |
| Baseline available for spending after 1st charge | 370 697 | 389 758 | 454 531 | 444 523 | 453 568 | 492 562 | 514 292 | 536 985 | 563 834 |

Table 13.12 : Summary of payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 342 724 | 354 070 | 426 881 | 413 837 | 426 819 | 474 561 | 483 070 | 507 340 | 532 704 |
| Compensation of employees | 191 045 | 211 778 | 274 606 | 276 345 | 297 519 | 314 713 | 339 083 | 346 543 | 363 870 |
| Goods and services | 151 666 | 142 235 | 151 949 | 137 492 | 129 265 | 159 771 | 143 987 | 160 797 | 168 834 |
| Interest and rent on land | 13 | 57 | 326 | - | 35 | 77 | - | - | - |
| Transfers and subsidies to: | 3 654 | 2 149 | 5 913 | 6 509 | 6 509 | 5 240 | 7 009 | 7 585 | 7 964 |
| Provinces and municipalities | 678 | 516 | 365 | 1 670 | 1 670 | 824 | 1 747 | 1 840 | 1 933 |
| Departmental agencies and accounts | 1 025 | 810 | 2 809 | 1 157 | 1 157 | 533 | 1 321 | 1 684 | 1 768 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 1 951 | 823 | 2 739 | 3 682 | 3 682 | 3 883 | 3 941 | 4 061 | 4 263 |
| Payments for capital assets | 23 442 | 30 096 | 21 737 | 24 177 | 20 240 | 12 761 | 24 213 | 22 060 | 23 166 |
| Buildings and other fixed structures | - | - | 24 | - | - | - | - | - | - |
| Machinery and equipment | 22 958 | 24 849 | 21 228 | 23 002 | 19 065 | 12 258 | 22 115 | 21 140 | 22 197 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | 7 | - | - | - |
| Software and other intangible assets | 484 | 5 247 | 485 | 1 175 | 1 175 | 496 | 2 098 | 920 | 969 |
| Payments for financial assets | 877 | 3 443 | - | - | - | - | 1 271 | 1 314 | - |
| Total | 370 697 | 389 758 | 454 531 | 444 523 | 453 568 | 492 562 | 515 563 | 538 299 | 563 834 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (1 271) | (1 314) | - |
| Baseline available for spending after 1st charge | 370 697 | 389 758 | 454 531 | 444 523 | 453 568 | 492 562 | 514 292 | 536 985 | 563 834 |

As explained previously, the department is liable for the repayment of previous year over-expenditure, resulting in a first charge of R1.271 million and R1.314 million against this programme in 2015/16 and 2016/17, respectively. This is reflected against *Payments for financial assets*, and the amount available for spending in 2015/16 and 2016/17 has been reduced by the instalment amounts in sub-programme Corporate Management Services.

Apart from some fluctuations, the sub-programme Corporate Management Services reflects an upward trend over the period under review. The decrease in the 2014/15 Adjusted Appropriation relates to the first charge for the repayment of previous year's irregular expenditure amounting to R8.192 million. The high 2014/15 Revised Estimate relate to the pressures mainly against *Goods and services* for centralised operational costs which could not be addressed during the in-year reprioritisation due to limited budget. The increase over the 2015/16 MTEF is due to inflationary increase and reprioritisation undertaken in order to ease pressures against *Compensation of employees*, as well as *Goods and services*. As previously mentioned, the increase over the MTEF includes a portion of the first charge against this sub-programme.

The sub-programme District Management reflects strong growth over the period under review. The increase in the 2014/15 Adjusted Appropriation relates to the in-year reprioritisation and implementation of the internal cost-containment plan to ease the pressures due to the higher than budgeted 2014 annual wage adjustment, carry-through costs of the DPSA directives including PSCBC resolution 3 of 2009 for upgrading of levels 9 to 10 and 11 to 12, which were implemented without sufficient funding, carry-through costs from the 2012/13 wage agreement, as well as salary costs for district offices related to the implementation of the district management model. The high Revised Estimate is indicative of the pressures which could not be funded during the reprioritisation process, due to limited budget. The

increase over the 2015/16 MTEF is due to inflationary increases as well as filling of critical vacant posts in line with the moratorium on filling of vacant posts.

The high amount in 2013/14 against *Compensation of employees* relates to the carry-through cost for 2012/13 wage agreements as well as implementation of the district management model. The increase in the 2014/15 Adjusted Appropriation relates to savings moved to this programme to cater for spending pressures against the sub-programmes: Corporate Management Services and District Management due to the carry-through costs for the unbudgeted re-grading of level 4 to 5, 9 to 10 and 11 to 12 posts in line with the DPSA requirements, as well as the higher than budget 2014 annual wage adjustment. The high 2014/15 Revised Estimate for the programme is due to high salary costs which could not be funded during the in-year reprioritisation process. The increases over the MTEF relate to the reprioritisation from various programmes for filling of critical vacant posts, and carry-through costs of previous wage agreements.

The trend fluctuates over the seven-year period in *Goods and services* in respect of pressures from audit fees, legal fees, forensic investigations and operating expenditure such as security services, municipal services and travel and subsistence, etc. The decrease in the 2014/15 Adjusted Appropriation is mainly due to reprioritisation within the programme to cater for other spending pressures, such as *Compensation of employees* and *Buildings and other fixed structures* in other programmes. The high 2014/15 Revised Estimate is due to previously mentioned centralised operational costs, including computer services and property payments, which could not be addressed during the Adjustment Estimate. The 2015/16 MTEF increase is below inflation due to limited scope to reprioritise funds from other programmes, as a result of the previously mentioned fiscal consolidation cuts affecting provinces.

Interest and rent on land relates to interest paid on over-due accounts.

Transfers and subsidies to: Provinces and municipalities caters for payments of motor vehicle licences which are paid as and when invoices are received from the DOT, accounting for the upward trend.

Transfers and subsidies to: Departmental agencies and accounts caters for payments to HWSETA, which are made as and when invoices are received. The peak in 2013/14 takes into account payments relating to previous years, as invoices were not received timeously.

Transfers and subsidies to: Households relates to staff exit costs, which are difficult to predict.

Expenditure on *Machinery and equipment* is in respect of computer equipment, office furniture and motor vehicles, of which the latter is the largest contributor to this category. The increases over the 2015/16 MTEF relate to the anticipated purchase of, office equipment and motor vehicles, in line with the anticipated filling of posts.

Spending in 2011/12 against *Software and other intangible assets* relates to the purchase of anti-virus software and a firewall for the server. The sharp increase in 2012/13 relates to the payment of software licences, such as Microsoft. The amount against 2013/14 is due to payments for licencing and for software being paid under *Goods and services* (Computer services), as the licences are bought through SITA and there is a relevant item for such expenditure against *Goods and services*. The growth from 2015/16 to 2017/18 provides for anticipated purchases of software, such as Microsoft licences, as previously mentioned.

Land and sub-soil assets caters for payments for land use for infrastructure assets, such as service offices, as previously mentioned.

Payments for financial assets relates to the write-off of irrecoverable staff debts, and previously mentioned first charge against the department for the previous years' unauthorised expenditure.

Service delivery measures – Programme 1: Administration

Table 13.13 below lists the main service delivery measures pertinent to this programme. The department's measures are aligned to those of the Social Development sector. A number of measures were introduced by the sector in 2015/16 and are indicated as "New" in the 2014/15 Estimated performance.

Table 13.13 : Service delivery measures – Programme 1: Administration

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|----------------------------------|--|-----------------------|---------------------|---------|---------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 1. Corporate Management Services | | | | | | |
| | • No. of social worker bursary holders that graduated | New | 2 880 | 3 024 | 3 175 | |
| | • No. of social worker bursary holder graduates employed by DSD | New | 1 561 | 1 639 | 1 721 | |
| | • No. of social worker bursary holder graduates employed by NPOs | New | 5 | 5 | 5 | |
| | • No. of EPWP work opportunities created | New | 12 258 | 12 871 | 13 514 | |
| | • No. of EPWP workers on learnership programmes | New | 400 | 420 | 441 | |

6.2 Programme 2: Social Welfare Services

Programme 2 caters for the provision of developmental social welfare services. These services are either provided directly by the department or by subsidised welfare organisations. The programme consists of five sub-programmes, namely, Management and Support, Services to Older Persons, Services to Persons with Disabilities, HIV and AIDS and Social Relief. The activities of the programme include the following:

- Design and implement integrated services for the care, support and protection of older persons.
- Design and implement integrated community based care programmes and services aimed at mitigating the social and economic impact of HIV and AIDS.
- Respond to emergency needs identified in communities affected by disasters not declared, and/or any other social condition resulting in undue hardship.

Tables 13.14 and 13.15 below reflect a summary of payments and estimates for this programme.

Contributing to the overall increases (and across sub-programmes) is the additional allocation for the following national priorities:

- Expansion of HCBC (allocated to the HIV and AIDS sub-programme) with additional funding from 2012/13 onward.
- Additional national priority funding from 2013/14 (see Table 13.3), which was allocated to transfers to NGOs (under the HIV and AIDS sub-programme).
- Additional funding for the absorption of social work graduates over the 2013/14 MTEF, which was allocated against *Compensation of employees*.
- Funding relating to two conditional grants (under the HIV and AIDS sub-programme) as mentioned previously, namely EPWP Integrated Grant for Provinces (allocated in 2014/15 only at this stage) and the Social Sector EPWP Incentive Grant for Provinces (allocated from 2011/12 to 2015/16 at this stage), to cater for the appointment of CCGs.

Table 13.14 : Summary of payments and estimates by sub-programme: Social Welfare Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Management and Support | 161 129 | 235 833 | 262 964 | 188 080 | 192 017 | 310 218 | 161 714 | 166 015 | 172 767 |
| 2. Services to Older Persons | 105 191 | 107 694 | 116 967 | 111 277 | 111 277 | 114 263 | 146 358 | 152 306 | 159 921 |
| 3. Services to Persons with Disabilities | 75 590 | 79 423 | 81 103 | 81 223 | 81 223 | 79 851 | 121 835 | 126 287 | 132 601 |
| 4. HIV and AIDS | 70 185 | 91 223 | 130 812 | 116 293 | 116 293 | 150 621 | 182 875 | 185 447 | 194 719 |
| 5. Social Relief | 12 687 | 15 548 | 12 218 | 13 053 | 13 053 | 15 054 | 13 653 | 14 377 | 15 096 |
| Total | 424 782 | 529 721 | 604 064 | 509 926 | 513 863 | 670 007 | 626 435 | 644 432 | 675 104 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (1 441) | (1 476) | - |
| Baseline available for spending after 1st charge | 424 782 | 529 721 | 604 064 | 509 926 | 513 863 | 670 007 | 624 994 | 642 956 | 675 104 |

Table 13.15 : Summary of payments and estimates by economic classification: Social Welfare Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 156 766 | 242 509 | 253 248 | 253 525 | 253 525 | 327 056 | 320 329 | 323 439 | 339 611 |
| Compensation of employees | 86 604 | 153 708 | 174 327 | 175 836 | 175 836 | 252 508 | 238 844 | 241 601 | 253 681 |
| Goods and services | 70 162 | 88 801 | 78 921 | 77 689 | 77 689 | 74 548 | 81 485 | 81 838 | 85 930 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 227 976 | 201 171 | 259 506 | 215 615 | 215 615 | 253 125 | 222 230 | 234 587 | 246 317 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | 19 | - | - | 34 | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 226 654 | 199 689 | 246 925 | 200 667 | 200 667 | 236 893 | 206 647 | 217 600 | 228 480 |
| Households | 1 322 | 1 482 | 12 562 | 14 948 | 14 948 | 16 198 | 15 583 | 16 987 | 17 837 |
| Payments for capital assets | 40 040 | 86 041 | 91 310 | 40 786 | 44 723 | 89 826 | 82 435 | 84 930 | 89 176 |
| Buildings and other fixed structures | 38 985 | 85 203 | 91 068 | 33 805 | 39 798 | 86 084 | 77 525 | 79 613 | 83 593 |
| Machinery and equipment | 1 055 | 838 | 242 | 6 981 | 4 925 | 3 742 | 4 910 | 5 317 | 5 583 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | 1 441 | 1 476 | - |
| Total | 424 782 | 529 721 | 604 064 | 509 926 | 513 863 | 670 007 | 626 435 | 644 432 | 675 104 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (1 441) | (1 476) | - |
| Baseline available for spending after 1st charge | 424 782 | 529 721 | 604 064 | 509 926 | 513 863 | 670 007 | 624 994 | 642 956 | 675 104 |

As explained previously, the department is liable for the repayment of previous year over-expenditure, resulting in a first charge of R1.441 million and R1.476 million each against this programme in 2015/16 and 2016/17. This is reflected against *Payments for financial assets*, and the amount available for spending in 2015/16 and 2016/17 has been reduced by the instalment amounts in sub-programme Management and Support.

The increase against the Management and Support sub-programme from 2012/13 to 2013/14 largely relates to the annual wage adjustments and the absorption of social work graduates. The substantial increase in 2013/14 relates to the previously mentioned higher than expected payments for new services including additional NGOs providing ECD and HCBC services. The increase in the 2014/15 Adjusted Appropriation relates to extensive reprioritisation to offset spending pressures against *Buildings and other fixed structures* for upgrades and refurbishments of state facilities, and service offices. The high 2014/15 Revised Estimate relates to the pressures in respect of *Compensation of employees* for the carry-through costs related to the absorption of social work graduates, as well as higher than budgeted 2014 annual wage adjustment which could not be fully addressed by in-year reprioritisation. This also includes pressures related to infrastructure due to the dilapidated state of most of the state facilities as well as service offices, as previously mentioned. The low growth over the 2015/16 MTEF relates to reprioritisation, in order to correctly allocate personnel costs, whereby social workers were moved from this sub-programme to the sub-programme of the function which they perform. This is in line with the requirements of the budget structure for the sector.

The increase against the HIV and AIDS sub-programme in 2013/14 is due to the additional national priority funding and conditional grants, as previously mentioned. The high 2014/15 Revised Estimate relates to the carry-through costs of the new services which were introduced in the previous years. The strong growth over the 2015/16 MTEF relates to the previously mentioned reprioritisation, undertaken to correctly allocate personnel costs whereby social workers were moved from the sub-programme: Management and Support to the function which they perform.

The Social Relief sub-programme makes provision in the event of a natural disaster, as well as social relief to families, accounting for the fluctuations. It must be noted that social relief spending was previously reflected against *Goods and services* and, thereafter, against *Transfers and subsidies to: Households* from 2013/14, in line with the A-G's recommendation, as shown in *Annexure – Vote 13: Social Development*.

The increase in the 2014/15 Revised Estimate relates to social relief pay-outs in various areas, in need of social relief. This item is difficult to budget for due to its uncertain nature.

The high amount against *Compensation of employees* in 2012/13 and 2013/14, as well as increases over the 2015/16 MTEF relate to the absorption of social work graduates. It must be noted, though, that the additional funding which was allocated for this over the 2014/15 MTEF does not fully cater for the full impact of the absorption of social work graduates, as well as the filling critical vacant posts, including social work supervisors. To this end, the department had to fund the shortfall through internal reprioritisation from *Goods and services* against items such as contractors, computer services, etc. This is evident in the Revised Estimate which reflects pressures due to the higher than anticipated 2014 annual wage adjustments, as well as the carry-through costs for the absorbed social work graduates. Also contributing to the increases over the 2015/16 MTEF are the conditional grants allocated to the department to cater for the payment of stipends to CCGs. The Social Sector EPWP Incentive Grant for Provinces is only allocated for 2015/16 amounting to R3 million. The strong growth over the 2015/16 MTEF relates to reprioritisation to fund carry-through costs for absorbed social work graduates and the filling of critical posts. As previously mentioned, the department will not be absorbing additional social work graduates, but has to fund carry-through costs of the currently absorbed.

Goods and services increases steadily over the seven-year period. The 2013/14 allocation relates to additional funding for repairs and, maintenance of state facilities. The decrease in the 2014/15 Revised Estimate indicates the department's attempts to remain within budget through enforced savings and reprioritisation of funds to pressurised areas. The increase over the 2015/16 MTEF is due to inflationary increases, as well as operational costs including travel and subsistence for home visits by social workers.

With regard to *Transfers and subsidies to: Non-profit institutions*, the 2011/12 amount related to once-off transfers to NPOs for the improvement of the quality of services in line with norms and standards. The decrease in 2012/13 relates to the appointment of CCGs on PERSAL from 1 April 2012, hence the funds were shifted to *Compensation of employees*. The strict application of Section 38(1)(j) of the PFMA also aggravated the decrease, as funding was provided to NPOs who met the requirements. The increase in 2013/14 relates to the correction of the *Isibindi* model funding which was erroneously allocated to the Child Care and Protection sub-programme under Programme 3 instead of the HIV and AIDS sub-programme against *Transfers and subsidies to: Non-profit institutions*. The increase was also exacerbated by the introduction of new services as previously mentioned. It must be noted, that R31 million relating to the *Isibindi* model was suspended from 2013/14, as these funds were reallocated to the department in 2014/15, in line with the approved implementation plan. The increase in the 2014/15 Revised Estimate is due to higher than anticipated claims from NGOs related to carry-through costs from the introduction of new services in the previous year. The growth over the 2015/16 MTEF relates to inflation and non increase of tariffs.

Transfers and subsidies to: Households relates to staff exit costs, which are difficult to predict, as well as disaster relief transfers. The sharp increase in 2013/14 relates to the movement of disaster relief transfers from *Goods and services*, in line with the A-G's recommendation. The increase in the 2014/15 Revised Estimate relates to the employee exit costs, as well as social relief assistance for affected areas. The increase over the 2015/16 MTEF relates to provision for social relief transfers.

The 2012/13 amount against *Buildings and other fixed structures* relates to the fact that the department continued with infrastructure projects, such as the construction of Manguzi, KwaShukela, Nkunzana, and Godlwayo service offices, which commenced in 2011/12. This was further exacerbated by additional funding for renovations and refurbishment of existing infrastructure. The increase in 2013/14 relates to pressures as a result of the rescheduling of project end-dates by IDT due to delays caused by the value for money audit. The increase in the 2014/15 Adjusted Appropriation and the Revised Estimate relate to reprioritisation and internal cost-containment from other programmes in order to address the infrastructure challenges in the service offices and state facilities. The steady increase over the 2015/16 MTEF relates to the anticipated refurbishment and upgrades of existing service offices, as well as state facilities, including Inkululeko Regeneration Elderly Day Care Centre.

The decrease against *Machinery and equipment* in 2012/13 relates to the non-purchase of furniture and office equipment as the construction of office accommodation was not completed due to delays in infrastructure projects as a result of the value for money audit. The decrease in the 2014/15 Adjusted Appropriation relates to the previously mentioned reprioritisation to address infrastructure pressures. The 2015/16 MTEF increase relates to the purchase of furniture, office equipment and motor vehicles, in line with the anticipated filling of critical posts, and absorbed social work graduates.

The amount against *Payments for financial assets* relates to the previously mentioned first charge against the department for previous year's unauthorised expenditure.

Service delivery measures – Programme 2: Social Welfare Services

Table 13.16 below lists the main service delivery measures pertinent to this programme. The department's measures are aligned to those of the Social Development sector. A number of measures were introduced by the sector in 2015/16 and are indicated as "New" in the 2014/15 Estimated performance.

Table 13.16 : Service delivery measures – Programme 2: Social Welfare Services

| Table 13.10 : Service delivery measures – Programme 2: Social Welfare Services | | | | | |
|--|--|-----------------------|---------------------|---------|---------|
| Outputs | Performance indicators | Estimated performance | Medium-term targets | | |
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 1. Services to older persons | | | | | |
| | • No. of funded residential facilities for older persons | New | 45 | 47 | 49 |
| | • No. of older persons accessing funded residential facilities | 3 123 | 2 858 | 3 001 | 31 512 |
| | • No. of older persons accessing community based care and support | 19 462 | 23 306 | 24 471 | 25 95 |
| 2. Services to persons with disabilities | | | | | |
| | • No. of funded residential facilities for persons with disabilities | New | 17 | 18 | 19 |
| | • No. of persons with disabilities accessing funded residential facilities | 1 000 | 976 | 1 025 | 1 076 |
| | • No. of persons with disabilities accessing services in funded protective workshops | 2 732 | 2 404 | 2 524 | 2 650 |
| 3. HIV and AIDS | | | | | |
| | • No. of funded HCBC organisations on social and behaviour change | New | 233 | 245 | 257 |
| | • No. of organisations trained on social and behaviour change | 298 | 316 | 332 | 349 |
| | • No. of beneficiaries receiving psychosocial support services | 34 114 | 39 558 | 41 536 | 43 613 |
| 4. Social relief | | | | | |
| | • No. of beneficiaries who benefited from DSD social relief programmes | 35 630 | 37 434 | 39 306 | 41 271 |

6.3 Programme 3: Children and Families

The purpose of this programme is to provide comprehensive child and family care and support services to communities in partnerships with stakeholders and civil society organisations. The programme has six sub-programmes, namely, Management and Support, Care and Services to Families, Child Care and Protection, ECD and Partial Care, Child and Youth Care Centres and Community Based Care Services for Children. The activities of the programme include the following:

- Provide programmes and services that promote functional families and prevent their vulnerability.
- Design and implement integrated programmes and services that provide for the development, care and protection of the rights of children.
- Provide comprehensive early childhood development services.
- Provide alternative care and support to vulnerable children.
- Provide protection, care and support to vulnerable children in communities.

Tables 13.17 and 13.18 reflect a summary of payments and estimates by programme and economic classification for the period 2011/12 to 2017/18.

Table 13.17 : Summary of payments and estimates by sub-programme: Children and Families

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Management and Support | 334 307 | 324 301 | 355 189 | 368 846 | 368 846 | 344 227 | 91 167 | 101 710 | 111 694 |
| 2. Care and Services to Families | 4 893 | 6 148 | 4 600 | 5 611 | 5 611 | 5 920 | 8 844 | 9 389 | 9 858 |
| 3. Child Care and Protection | 155 518 | 143 247 | 187 003 | 217 263 | 201 763 | 173 201 | 339 985 | 354 915 | 370 987 |
| 4. ECD and Partial Care | 246 851 | 166 249 | 201 932 | 219 108 | 219 108 | 242 800 | 319 489 | 338 886 | 357 210 |
| 5. Child and Youth Care | 73 233 | 81 116 | 89 686 | 72 236 | 72 236 | 84 233 | 106 348 | 112 816 | 118 457 |
| 6. Community-Based Care Services for Children | - | - | - | 102 079 | 102 079 | 44 361 | 107 784 | 128 883 | 135 327 |
| Total | 814 802 | 721 061 | 838 410 | 985 143 | 969 643 | 894 742 | 973 617 | 1 046 599 | 1 103 533 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (2 718) | (2 594) | - |
| Baseline available for spending after 1st charge | 814 802 | 721 061 | 838 410 | 985 143 | 969 643 | 894 742 | 970 899 | 1 044 005 | 1 103 533 |

Table 13.18 : Summary of payments and estimates by economic classification: Children and Families

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 321 790 | 364 823 | 432 205 | 492 478 | 514 743 | 436 403 | 514 049 | 544 195 | 571 404 |
| Compensation of employees | 262 603 | 306 692 | 364 183 | 390 569 | 428 334 | 364 576 | 435 500 | 464 637 | 487 868 |
| Goods and services | 59 187 | 58 131 | 68 022 | 101 909 | 86 409 | 71 827 | 78 549 | 79 558 | 83 536 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 440 964 | 319 021 | 375 393 | 480 371 | 442 606 | 450 347 | 415 828 | 452 196 | 476 187 |
| Provinces and municipalities | 35 000 | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | 3 221 | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 405 612 | 318 846 | 370 690 | 479 883 | 442 118 | 449 663 | 415 275 | 451 598 | 475 559 |
| Households | 352 | 175 | 1 482 | 488 | 488 | 684 | 553 | 598 | 628 |
| Payments for capital assets | 52 048 | 37 217 | 30 812 | 12 294 | 12 294 | 7 992 | 41 022 | 47 614 | 55 942 |
| Buildings and other fixed structures | 50 461 | 36 102 | 30 688 | - | - | 85 | 37 405 | 41 719 | 49 753 |
| Machinery and equipment | 1 587 | 1 115 | 124 | 12 294 | 12 294 | 7 907 | 3 617 | 5 895 | 6 189 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | 2 718 | 2 594 | - |
| Total | 814 802 | 721 061 | 838 410 | 985 143 | 969 643 | 894 742 | 973 617 | 1 046 599 | 1 103 533 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (2 718) | (2 594) | - |
| Baseline available for spending after 1st charge | 814 802 | 721 061 | 838 410 | 985 143 | 969 643 | 894 742 | 970 899 | 1 044 005 | 1 103 533 |

In general, this programme fluctuates over the seven-year period. Growth from 2011/12 onward relates mainly to the filling of vacant posts and carry-through costs for absorbed social work graduates. The decrease in the 2014/15 Adjusted Appropriation relates to the extensive reprioritisation exercise relating to the internal cost-containment plan, and enforced savings in areas such as catering, consultants and business advisory services and computer services. These were effected against the Child Care and Protection sub-programme, as reflected on the table above. The decrease in the Revised Estimate for the various sub-programmes relates to the further reprioritisation in order to remain within the allocated budget.

The significant growth over the 2015/16 MTEF across various sub-programmes relates to additional national priority funding allocated to the department as follows:

- Expansion of ECD (allocated to the ECD and Partial Care sub-programme) which received funding in 2010/11, as well as further funding over the 2013/14 MTEF.
- Additional funding for the Child Care and Protection national priority over the 2013/14 MTEF (see Table 13.3), which was allocated for transfers to NGOs (under the Child Care and Protection sub-programme).
- Additional national priority funding for the absorption of social work graduates over the 2013/14 MTEF (see Table 13.3), which was allocated against *Compensation of employees* (under the Management and Support sub-programme).

As explained previously, the department is liable for the repayment of previous year over-expenditure, resulting in a first and second instalment of R2.718 million and R2.594 million each against this programme in 2015/16 and 2016/17. This is reflected against *Payments for financial assets*, and the amount available for spending in 2015/16 and 2016/17 has been reduced by the instalment amounts in the sub-programmes: Management and Support and Child Care and Protection.

The sub-programme: ECD and Partial Care fluctuate from 2011/12 to 2013/14. The increase in the 2014/15 Main Appropriation is due to the funding of the ECD sites and additional services. The increase in the Revised Estimate relates to the carry-through costs due to the introduction of new services in 2013/14. The growth over the 2015/16 MTEF relates to reprioritisation in order to correctly allocate salary costs for social workers in line with the requirements of the budget structure for the sector, as well as funding for ECD sites.

The sub-programme: Child and Youth Care Centres fluctuate from 2011/12 to 2013/14, mainly due to transfers to non-profit institutions which provide the services. The increase in 2013/14 is mainly due to the introduction of new services. This is also reflected in the increase in the 2014/15 Revised Estimate for the carry-through costs due to the introduction of new services in 2013/14. The growth over the 2015/16 MTEF relates to the funding of the CYCC sites, as well as reprioritisation aimed at correctly allocating the salary costs of social workers, as previously mentioned.

A new sub-programme was introduced in 2014/15, namely Community-Based Care Services for Children, in line with the new budget structure. These functions were previously performed under the HIV and AIDS and Child Care Protection Services sub-programmes in Programme 2. The department was unable to provide comparative information as financial records were not captured at this level. The substantial decrease in 2014/15 Revised Estimate is ascribed to the reprioritisation of funds to ease pressures against Programme 2. The growth over the 2015/16 MTEF relates to inflationary increases.

Compensation of employees reflects healthy growth over the seven-year period, particularly from 2014/15 onward. The increase in the 2014/15 Adjusted Appropriation relates to the correction of an error that occurred during the allocation of funds for the *Isibindi* model. In the main budget for 2014/15, the entire funding for the *Isibindi* model was inadvertently allocated against transfers for support to NGOs, while portion of these funds was intended for the payment of stipends to CCGs who provide HCBC services for children. The decrease in the 2014/15 Revised Estimate relate to the reprioritisation of funds to ease pressures in other programmes. The increases over the 2015/16 MTEF relate to the carry-through costs for the absorbed social work graduates as well as filling of critical vacant posts including social work supervisors.

Goods and services increases steadily over the period under review. The decrease in the 2014/15 Adjusted Appropriation and the Revised Estimate relates to vigorous reprioritisation and implementation of the internal cost-containment plan to cater for pressures against *Compensation of employees*. The decrease over the MTEF is due to the reprioritisation in order to ease pressures against *Compensation of employees*.

The amount against *Transfers and subsidies to: Provinces and municipalities* in 2011/12 relates to a once-off transfer to the Umkhanyakude District Municipality for the Ndumo Learner Support Centre (including ECD infrastructure development in the district).

Transfers and subsidies to: Departmental agencies and accounts relates to the HWSETA. The allocation for this category is centralised in Programme 1 from 2014/15.

Transfers and subsidies to: Non-profit institutions fluctuates over the period under review. The amount in 2011/12 includes once-off transfers to NPOs to improve the quality of services in line with norms and standards, accounting for the decrease in 2012/13. The further increase in 2013/14 relates to the introduction of new services. The decrease in the 2014/15 Adjusted Appropriation relates to the correction of an error that occurred during the allocation of the main budget. As previously mentioned, funds for the *Isibindi* model were allocated against this category instead of allocating a portion to *Compensation of employees*. The increase in the Revised Estimate relates to the carry-through costs for new services introduced in 2013/14. The growth over the MTEF relates to pressures due to carry-through costs for new services which could not be funded due to fiscal consolidation cuts.

Transfers and subsidies to: Households relates to staff exit costs, which are difficult to predict.

Buildings and other fixed structures reflects a fluctuating trend over the period, with a decrease from 2013/14 which relates to the correction of the allocation of the *Isibindi* model funds which were erroneously allocated against this category instead of *Transfers and subsidies to: Non-profit institutions*, as well as the delays in the submission of invoices by DOPW and IDT. No provision was made for infrastructure development in 2014/15 as the department needed to cater for other spending pressures, such as absorbed social work graduates. However, in a concerted effort to address the infrastructure challenges, provisions have been made over the 2015/16 MTEF, by reprioritising funds within.

The sharp increase against *Machinery and equipment* in the 2014/15 Main Appropriation is due to the anticipated purchase of furniture and office equipment. The decrease in the 2014/15 Revised Estimate is indicative of the delays in the purchase of office equipment. The MTEF budget caters for the purchase of the tools of trade for the absorbed social work graduates, since this item has been a target for financial control in the past.

The amount against *Payments for financial assets* relates to the previously mentioned first charge instalments against the department for the previous year's unauthorised expenditure.

Service delivery measures – Programme 3: Children and Families

Table 13.19 below illustrates service delivery measures for Programme 3. As with Programme 2, the measures are aligned with those of the Social Development sector. A number of measures have been introduced in 2015/16 and are indicated as “New” in the 2014/15 Estimated performance.

Table 13.19 : Service delivery measures – Programme 3: Children and Families

| Outputs | Performance indicator | Estimated performance | Medium-term targets | | | |
|--|---|-----------------------|---------------------|---------|---------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 1. Care and services to families | | | | | | |
| | • No. of families participating in family preservation programmes | 11 661 | 11 997 | 12 597 | 13 227 | |
| | • No. of family members reunited with their families | 1 100 | 1 215 | 1 276 | 1 340 | |
| | • No. of families participating in the parenting programme | 7 079 | 15 641 | 16 423 | 17 244 | |
| 2. Child care and protection | | | | | | |
| | • No. of orphans and vulnerable children receiving psycho-social support services | 34 353 | 39 209 | 41 170 | 43 229 | |
| | • No. of children awaiting foster care placement | New | 9 102 | 9 257 | 9 720 | |
| | • No. of children placed in foster care | 19 124 | 16 819 | 17 009 | 17 859 | |
| 3. ECD and partial care | | | | | | |
| | • No. of children between 0-5 years accessing registered ECD programmes | 99 520 | 74 282 | 77 996 | 81 896 | |
| | • No. of children accessing registered partial care sites (excl. ECD) | 620 | 899 | 944 | 991 | |
| | • No. of partially registered ECD sites that become fully registered | New | 403 | 423 | 444 | |
| | • No. of subsidised children accessing registered ECD programmes | New | 63 230 | 66 392 | 69 712 | |
| | • No. of subsidised children accessing registered ECD sites | New | 94 169 | 98 877 | 103 821 | |
| | • No. of fully registered ECD sites | New | 1 020 | 1 071 | 1 125 | |
| | • No. of registered partial care sites (excluding ECD) | 14 | 42 | 44 | 46 | |
| 4. Child and youth care centres | | | | | | |
| | • No. of funded child and youth care centres | New | 73 | 77 | 81 | |
| | • No. of children in need of care and protection in funded CYCCs | New | 4 259 | 4 322 | 4 538 | |
| | • No. of children in need of care and protection placed in funded CYCCs | New | 1 662 | 1 745 | 1 832 | |
| 5. Community-based care services for children | | | | | | |
| | • No. of children accessing drop-in centres | 9 887 | 8 633 | 9 065 | 9 518 | |
| | • No. of children accessing services through the <i>Isibindi</i> model | 20 819 | 30 347 | 31 864 | 33 457 | |
| | • No. of CYCW trainees who receive training through the <i>Isibindi</i> model | 1 396 | 2 361 | 2 479 | 2 603 | |

6.4 Programme 4: Restorative Services

The purpose of this programme is to provide integrated developmental social crime prevention and anti-substance abuse services to the most vulnerable in partnership with stakeholders and civil society organisations. The programme consists of the following sub-programmes, namely Management and Support, Crime Prevention and Support, Victim Empowerment and Substance Abuse, Prevention and Rehabilitation. The activities of the programme include the following:

- Develop and implement social crime prevention programmes and provide probation services targeting children, youth and adult offenders and victims within the criminal justice process.
- Design and implement integrated programmes and services to support, care and empower victims of violence and crime, in particular women and children.
- Design and implement integrated services for substance abuse, prevention, treatment and rehabilitation.

Tables 13.20 and 13.21 reflect a summary of payments and estimates by programme and economic classification for the period 2011/12 to 2017/18. As explained previously, the department is liable for the repayment of the previous year's over-expenditure, resulting in first charge instalments of R792 000 and R800 000 each against this programme in 2015/16 and 2016/17. This is reflected against *Payments for financial assets*, and the amount available for spending in 2015/16 and 2016/17 has been reduced by the instalment amounts in the sub-programme: Crime Prevention and Support.

Table 13.20 : Summary of payments and estimates by sub-programme: Restorative Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Management and Support | 79 605 | 93 617 | 117 826 | 128 879 | 126 205 | 112 722 | 34 158 | 35 117 | 36 873 |
| 2. Crime Prevention and Support | 42 861 | 41 489 | 37 651 | 85 143 | 82 143 | 55 039 | 132 127 | 127 218 | 132 739 |
| 3. Victim Empowerment | 4 164 | 6 776 | 8 206 | 26 848 | 26 848 | 17 566 | 38 957 | 40 580 | 42 609 |
| 4. Substance Abuse, Prevention and Rehabilitation | 43 437 | 40 351 | 38 391 | 47 261 | 47 261 | 43 586 | 87 298 | 93 168 | 97 826 |
| Total | 170 067 | 182 233 | 202 074 | 288 131 | 282 457 | 228 913 | 292 540 | 296 083 | 310 047 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (792) | (800) | - |
| Baseline available for spending after 1st charge | 170 067 | 182 233 | 202 074 | 288 131 | 282 457 | 228 913 | 291 748 | 295 283 | 310 047 |

Table 13.21 : Summary of payments and estimates by economic classification: Restorative Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 133 540 | 145 823 | 163 368 | 207 530 | 206 369 | 170 554 | 204 425 | 216 275 | 227 092 |
| Compensation of employees | 101 910 | 114 173 | 139 190 | 151 809 | 151 809 | 135 957 | 156 654 | 168 872 | 177 316 |
| Goods and services | 31 630 | 31 649 | 24 178 | 55 721 | 54 560 | 34 597 | 47 771 | 47 403 | 49 776 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 36 179 | 36 376 | 37 762 | 67 322 | 62 809 | 49 530 | 68 987 | 72 050 | 75 652 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 36 170 | 36 268 | 37 597 | 67 202 | 62 689 | 49 158 | 68 852 | 71 903 | 75 498 |
| Households | 9 | 108 | 165 | 120 | 120 | 372 | 135 | 147 | 154 |
| Payments for capital assets | 348 | 34 | 944 | 13 279 | 13 279 | 8 829 | 18 336 | 6 958 | 7 303 |
| Buildings and other fixed structures | - | - | - | 10 998 | 10 998 | 8 252 | 15 951 | 5 029 | 5 278 |
| Machinery and equipment | 348 | 34 | 944 | 2 281 | 2 281 | 577 | 2 385 | 1 929 | 2 025 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | 792 | 800 | - |
| Total | 170 067 | 182 233 | 202 074 | 288 131 | 282 457 | 228 913 | 292 540 | 296 083 | 310 047 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (792) | (800) | - |
| Baseline available for spending after 1st charge | 170 067 | 182 233 | 202 074 | 288 131 | 282 457 | 228 913 | 291 748 | 295 283 | 310 047 |

In general, this programme shows an upward trend over the seven-year period. The amount in 2011/12 onward relates mainly to the filling of vacant posts and carry-through costs in respect of absorbed social work graduates. The decrease in the 2014/15 Adjusted Appropriation relates to the extensive reprioritisation exercise relating to the internal cost-containment plan, in areas such as catering, consultants and business advisory services, and computer services. This was effected against the Management and Support as well as Crime Prevention and Support sub-programmes, as reflected in the table above. The decrease in the 2014/15 Revised Estimate for the various sub-programmes relate to the further reprioritisation in order to remain within the allocated budget.

The increase in the Management and Support sub-programme from 2011/12 to 2014/15 relates to the filling of posts and absorption of social work graduates. However, posts were not filled in 2013/14 as anticipated due to long recruitment processes. The decrease in the 2014/15 Adjusted Appropriation and the Revised Estimate relates to the extensive reprioritisation exercise relating to the department's internal cost-containment plan in areas such as catering, consultants and business advisory services, etc., which were utilised to offset spending pressures against *Compensation of employees* in Programme 1. The decline in, growth over the 2015/16 MTEF relates to the reprioritisation within the programme, whereby employees' costs were moved to those sub-programmes where the functions are performed.

The sub-programme Crime Prevention and Support fluctuates over the seven-year period, mainly due to the continued support provided to the NGOs and infrastructure related costs for the refurbishments and rehabilitation. The decrease in the 2014/15 Adjusted Appropriation and Revised Estimate relates to enforced savings in order to remain within budget. The increase over the 2015/16 MTEF relates to the correct alignment of the salary costs for social workers, as mentioned previously

The steady growth in the Victim Empowerment sub-programme from 2011/12 to 2013/14 caters for the continued roll-out of this service in the province. This is followed by increasing trend over the ensuing financial years. The significant increase in the 2014/15 Main Appropriation relates to additional national priority funding for the provision of shelters for victims of gender-based violence. The strong growth over the 2015/16 MTEF relates to inflationary increases and additional national priority funding.

Compensation of employees reflects an upward trend for the period under review, due to the filling of vacant funded posts, as well as the absorption of social work graduates, while taking cognisance of moratorium on the filling of non-critical posts. The increase over the 2015/16 MTEF relates mainly to the carry-through costs of absorbed social work graduates, for which the department received additional funding in the 2013/14 MTEF, as well as filling critical vacant posts including social work supervisors.

Goods and services show steady growth from 2011/12 to 2012/13 relating to repairs and maintenance of state facilities such as the Excelsior Place of Safety. The decrease in 2013/14 relates to delays in the submission of claims for current infrastructure projects by DOPW. The decrease in the 2014/15 Adjusted Appropriation and the Revised Estimate relates to the previously mentioned extensive reprioritisation and internal cost-containment plan to offset pressures against *Compensation of employees*. The increase over the 2015/16 MTEF relates to additional national priority funding for victim empowerment.

The significant increase against *Transfers and subsidies to: Non-profit institutions* in the 2014/15 Main Appropriation relates to additional national priority funding allocated for victim empowerment. The decrease in the 2014/15 Adjusted Appropriation relates to funding which was inadvertently allocated against transfers to NPOs, while a portion of these funds was intended for the administration of programme activities, including 16 days of activism. The steady increase over the 2015/16 MTEF relates to additional national priority funding for the provision of shelters for victims of gender-based violence.

Transfers and subsidies to: Households relates to staff exit costs, which are difficult to predict.

Buildings and other fixed structures relates to renovations and refurbishment of state facilities. The allocation from 2014/15 onward relates to infrastructure development projects including, among others, Greenfields Place of Safety. The high increase in 2015/16 relates to anticipated infrastructure development projects, such as renovations of state facilities (e.g. Newcastle School of Industries, etc.) and gradually reduces in the outer years in line with the project plan.

Machinery and equipment relates to the purchase of office equipment, furniture and vehicles. The increase from the 2014/15 Main Appropriation onward relates to the anticipated purchase of tools of trade for the absorbed social work graduates since this category was previously a target for financial control.

The amount against *Payments for financial assets* relates to the previously mentioned instalments of the first charge against the department for previous year's unauthorised expenditure.

Service delivery measures – Programme 4: Restorative Services

Table 13.22 below illustrates service delivery measures for Programme 4.

The measures are aligned with those of the Social Development sector. A number of measures have been introduced in 2015/16 and are indicated as “New” in the 2014/15 Estimated performance.

Table 13.22 : Service delivery measures – Programme 4: Restorative Services

| Outputs | Performance indicator | Estimated performance | Medium-term targets | | |
|---|--|-----------------------|---------------------|---------|---------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 1. Crime prevention and support | | | | | |
| | • No. of children in conflict with the law assessed | 4 523 | 3 651 | 3 834 | 4 026 |
| | • No. of children in conflict with the law | New | 4 276 | 4 490 | 4 714 |
| | • No. of children in conflict with the law in secure care centres | New | 474 | 498 | 523 |
| | • No. of children in conflict with the law awaiting trial in secure care centres | 674 | 445 | 467 | 490 |
| | • No. of sentenced children in secure care centres | New | 6 | 6 | 6 |
| | • No. of children in conflict with the law referred to diversion programmes | 1 126 | 1 132 | 1 189 | 1 248 |
| | • No. of children in conflict with the law who completed diversion programmes | 606 | 1 075 | 1 129 | 1 185 |
| | • No. of stakeholders capacitated on the Integrated Social Crime Prevention Strategy | New | 1 839 | 1 931 | 2 028 |
| 2. Victim empowerment | | | | | |
| | • No. of victims of crime and violence in funded victim empowerment programme (VEP) service sites | 1 885 | 892 | 937 | 984 |
| | • No. of funded VEP service sites | New | 28 | 29 | 30 |
| | • No. of funded VEP service sites complying with norms and standards | New | New | New | New |
| | • No. of human trafficking cases identified | New | 13 | 14 | 15 |
| | • No. of victims of human trafficking identified | New | 15 | 16 | 17 |
| | • No. of human trafficking victims who accessed social services | New | 13 | 14 | 15 |
| | • No. of victims of crime and violence receiving psycho-social support | 4 375 | 5 853 | 6 156 | 6 463 |
| 3. Substance abuse, prevention and rehabilitation | | | | | |
| | • No. of children 18 years and below reached through substance abuse prevention programmes | 31 394 | 26 740 | 28 077 | 29 481 |
| | • No. of people (19 and above) reached through drug prevention programmes | 19 052 | 18 092 | 18 997 | 19 947 |
| | • No. of service users who accessed in-patient treatment service centres at funded treatment centres | 615 | 1 117 | 1 173 | 1 232 |
| | • No. of service users who accessed out-patient based treatment services | 823 | 967 | 1 015 | 1 066 |

6.5 Programme 5: Development and Research

The purpose of this programme is to provide sustainable development programmes which facilitate empowerment of communities, based on empirical research and demographic information.

The programme consists of the following sub-programmes, namely, Management and Support, Community Mobilisation, Institutional Capacity Building and Support for NPOs, Poverty Alleviation and Sustainable Livelihoods, Community-Based Research and Planning, Youth Development, Women Development and Population Policy Promotion.

The activities of the programme include the following:

- Build safe and sustainable communities through the creation of strong community networks, based on principles of trust and respect for local diversity, and nurturing a sense of belonging and confidence in local people.
- Support NPO registration and compliance monitoring, NPO stakeholder liaison and communication, provide institutional capacity building, manage NPO funding and monitoring and create a conducive environment for all NPOs to flourish.
- Manage Social Facilitation and Poverty for Sustainable Livelihood programmes (including EPWP).
- Provide communities an opportunity to learn about the life and conditions of their locality and uplift the challenges and concerns facing their communities, as well as their strengths and assets to be leveraged to address their challenges.
- Create an environment to help young people, and women to develop constructive, affirmative and sustainable relationships while concurrently providing opportunities for them to build their competencies and needed skills to engage as partners in their own development and that of their communities.
- Promote the implementation of the Population Policy within all spheres of government and civil society through population research, advocacy, and capacity building and by monitoring and evaluating the implementation of the policy.

Tables 13.23 and 13.24 reflect a summary of payments and estimates by programme and economic classification for the period 2011/12 to 2017/18.

As explained previously, the department is liable for the repayment of previous year over-expenditure, resulting in first charge instalments of R758 000 and R795 000 each against this programme in 2015/16 and 2016/17. This is reflected against *Payments for financial assets* in sub-programme Crime Prevention and Support, and the amount available for spending has been reduced by these instalment amounts.

In general, this programme fluctuates over the seven-year period.

The significant increase in 2013/14 is due to additional national priority funding allocated to the department (under the Institutional Capacity Building and Support for NPOs sub-programme) for the improvement of the quality of services provided by NPOs, as well as their financial sustainability.

The decrease in the 2014/15 Revised Estimate, compared to the Adjusted Appropriation, relates to the enforced savings and implementation of the departmental cost-containment plan in order to avoid unauthorised expenditure.

The increase over the 2015/16 MTEF relates to the anticipated filling of vacant posts, as well as inflationary increases.

Table 13.23 : Summary of payments and estimates by sub-programme: Development and Research

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Management and Support | 122 983 | 121 284 | 152 255 | 153 150 | 153 150 | 133 545 | 93 704 | 101 691 | 106 774 |
| 2. Community Mobilisation | - | - | - | 1 070 | 1 070 | 411 | 1 500 | 1 750 | 1 838 |
| 3. Institutional Capacity Building and Support for NPOs | 2 763 | 3 786 | 17 133 | 53 010 | 53 010 | 17 513 | 53 031 | 59 075 | 61 194 |
| 4. Poverty Alleviation and Sustainable Livelihoods | 14 786 | 21 437 | 23 036 | 11 037 | 11 037 | 12 582 | 14 773 | 17 252 | 18 115 |
| 5. Community-Based Research and Planning | 679 | 145 | 338 | 1 681 | 1 681 | 507 | 1 758 | 1 851 | 1 944 |
| 6. Youth Development | 11 350 | 14 827 | 36 941 | 42 089 | 42 089 | 36 072 | 42 803 | 45 072 | 47 326 |
| 7. Women Development | - | - | - | 4 600 | 4 600 | 1 805 | 11 000 | 11 500 | 12 075 |
| 8. Population Policy Promotion | 1 348 | 1 134 | 1 124 | 3 592 | 3 592 | 1 101 | 3 757 | 3 956 | 4 154 |
| Total | 153 909 | 162 613 | 230 827 | 270 229 | 270 229 | 203 536 | 222 326 | 242 147 | 253 420 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (758) | (795) | - |
| Baseline available for spending after 1st charge | 153 909 | 162 613 | 230 827 | 270 229 | 270 229 | 203 536 | 221 568 | 241 352 | 253 420 |

Table 13.24 : Summary of payments and estimates by economic classification: Development and Research

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 78 322 | 92 912 | 95 427 | 124 845 | 127 845 | 118 533 | 146 608 | 156 867 | 164 708 |
| Compensation of employees | 50 369 | 62 247 | 63 461 | 99 023 | 99 023 | 87 673 | 112 881 | 121 685 | 127 769 |
| Goods and services | 27 953 | 30 665 | 31 966 | 25 822 | 28 822 | 30 860 | 33 727 | 35 182 | 36 939 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 23 553 | 32 650 | 74 734 | 69 302 | 66 302 | 53 772 | 66 562 | 71 703 | 75 289 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | 16 607 | 13 500 | 10 500 | 5 785 | - | - | - |
| Non-profit institutions | 23 553 | 32 475 | 57 960 | 55 259 | 55 259 | 47 759 | 65 994 | 71 105 | 74 661 |
| Households | - | 175 | 167 | 543 | 543 | 228 | 568 | 598 | 628 |
| Payments for capital assets | 52 034 | 37 051 | 60 666 | 76 082 | 76 082 | 31 231 | 8 398 | 12 782 | 13 423 |
| Buildings and other fixed structures | 50 463 | 36 102 | 60 304 | 61 202 | 68 030 | 24 490 | 5 000 | 9 393 | 9 863 |
| Machinery and equipment | 1 571 | 949 | 362 | 14 880 | 8 052 | 6 741 | 3 398 | 3 389 | 3 560 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | 758 | 795 | - |
| Total | 153 909 | 162 613 | 230 827 | 270 229 | 270 229 | 203 536 | 222 326 | 242 147 | 253 420 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (758) | (795) | - |
| Baseline available for spending after 1st charge | 153 909 | 162 613 | 230 827 | 270 229 | 270 229 | 203 536 | 221 568 | 241 352 | 253 420 |

Two new sub-programmes, namely Community Mobilisation and Women Development were introduced in 2014/15 in line with a change in the budget structure. These functions were previously undertaken by the department under the Poverty Alleviation and Sustainable Livelihood sub-programme. However, the department was unable to provide comparative information as financial records were not captured at this level. The low 2014/15 Revised Estimate relates to delays in signing of SLAs, and payment are made from date of signing the SLA and not backdated.

The low spending against the Institutional Capacity Building and Support for NPOs sub-programme from 2011/12 to 2012/13 was due to the fact that capacity building was organised in-house. The increase from 2013/14 relates to additional national priority funding allocated to the department for the improvement of the quality of services provided by NGOs, as well as their financial sustainability and payments of new services including the backdated tariff increases from 2012/13. The low 2014/15 Revised Estimate relates to the strict application of Section 38(1) (j) of the PFMA which prolonged the approval process.

The low amount in the sub-programme: Poverty Alleviation and Sustainable Livelihoods in 2011/12 was as a result of forensic investigations into entity compliance to the PFMA. The increase in 2012/13 relates to more projects funded as investigations were completed.

The sharp increase in the sub-programme: Youth Development from 2012/13 to 2013/14 and from 2014/15 onward was due to reprioritisation within Programme 5 to cater for transfer to NPOs to fund the operations of youth academies, such as Esicabazini youth academy, aimed at providing youth skills. The decrease in the 2014/15 Revised Estimate relates to the delay in signing of SLAs, as a result of strict application of Section 38(1) (j) of the PFMA. The growth over the 2015/16 MTEF mainly relates to transfers to NPOs.

Expenditure against *Compensation of employees* was low in 2011/12 due to moratorium on the filling of vacant posts. This category reflects a significant upward trend from the 2014/15 Main Appropriation due to the anticipated filling of vacant funded posts. The low 2014/15 Revised Estimate relates to resignations, retirements, and lengthy recruitment processes. The 2015/16 MTEF caters for appointment of finance monitors for capacity building of NPOs.

Goods and services increases from 2012/13 to 2013/14 due to increased costs such as fleet services, travel and subsistence, etc., relating to the filling of posts. The increase in the 2014/15 Adjusted Appropriation relates to the fact that R3 million was moved from *Transfers and subsidies to: Non-profit institutions* with

regard to funds allocated for NGO support, whereby the unsatisfactory performance of the implementing agent appointed to assist the department with the implementation of NGO capacitating programmes, resulted in the department utilising its capacity to implement the projects. The high 2014/15 Revised Estimate relates to pressures against operational costs such as property payments and fleet services.

Transfers and subsidies to: Public corporations and private enterprises caters for transfers to the NDA for the implementation of capacity building programmes for NPOs in areas such as financial management, NPO management, etc., as the department does not have capacity to adequately conduct these programmes. The decrease in the 2014/15 Adjusted Appropriation and Revised Estimate relates to the appointment of consultants to implement the programme due to the previously mentioned challenges with the implementing agent. As previously mentioned, the reduction over the 2015/16 MTEF relates to the shifting of funds to *Goods and services* for appointment of consultants to implement the function as a result of unsatisfactory performance by the implementing agent.

The low spending against *Transfers and subsidies to: Non-profit institutions* in 2011/12 results from the forensic investigations into entity compliance to the PFMA. The increase in 2013/14 relates to the movement of funds from *Goods and services* to cater for the appointment of an implementing agent to assist the department with the implementation of NGO capacity building programmes, as the department does not have capacity to adequately implement these programmes. The low 2014/15 Revised Estimate relates to the delays in signing of SLAs due to strict application of Section 38 (j) of the PFMA. The increase over the 2015/16 MTEF relates to additional national priority funding allocated to the department for the improvement of the quality of services provided by NGOs, and their financial sustainability, as well as youth development.

Transfers and subsidies to: Households relates to staff exit costs, which are difficult to predict.

The low 2012/13 amount against *Buildings and other fixed structures* relates mainly to delays in infrastructure projects due to the value for money audit commissioned by the department. The increase in 2013/14 relates to the payment of IDT invoices for 2012/13 projects which were completed in 2013/14, as mentioned. The increase in the 2014/15 Adjusted Appropriation relates to the anticipated completion of infrastructure projects, such as the construction of one-stop development centres. The decrease in the allocation over the 2015/16 MTEF is due to the reprioritisation of funds to ease pressures against *Compensation of employees*, resulting from the higher than budgeted 2014 annual wage adjustment.

Machinery and equipment was low in 2012/13 and 2013/14 due to non-purchase of furniture and office equipment as office buildings were not completed as a result of the value for money audit. The decrease in the 2014/15 Adjusted Appropriation was to ease spending pressures against *Buildings and other fixed structures*. The 2015/16 MTEF allocation caters for the anticipated purchases of furniture, machinery and equipment for office accommodation and community centres.

The amount against *Payments for financial assets* relates to the previously mentioned first charge against the department for previous year's unauthorised expenditure.

Service delivery measures – Programme 5: Development and Research

Table 13.25 below illustrates service delivery measures for Programme 5. The measures are aligned with those of the Social Development sector. A number of measures have been introduced in 2015/16 and are indicated as “New” in the 2014/15 Estimated performance.

Table 13.25 : Service delivery measures – Programme 5: Development and Research

| Outputs | Performance indicator | Estimated performance | Medium-term targets | | |
|---------------------------|---|-----------------------|---------------------|---------|---------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 1. Community mobilisation | | | | | |
| | • No. of people reached through community mobilisation programmes | 30 525 | 44 414 | 46 635 | 48 967 |

Table 13.25 : Service delivery measures – Programme 5: Development and Research

| Outputs | Performance indicator | Estimated performance | Medium-term targets | | | |
|---|---|-----------------------|---------------------|---------|---------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 2. Institutional capacity building and support for NPOs | | | | | | |
| | • No. of funded NPOs | New | 3 091 | 3 246 | 3 408 | |
| | • No. funded CBOs | New | 33 | 34 | 35 | |
| | • No. of funded CBOs trained | New | 31 | 32 | 33 | |
| | • No. of NPOs capacitated | 3 679 | 4 496 | 4 721 | 4 957 | |
| 3. Poverty alleviation and sustainable livelihoods | | | | | | |
| | • No. of poverty reduction initiatives supported | 585 | 382 | 401 | 421 | |
| | • No. of people benefiting from poverty reduction initiatives | New | 3 375 | 3 544 | 3 721 | |
| | • No. of households accessing food through DSD food security programmes | 17 822 | 9 479 | 9 953 | 10 451 | |
| | • No. of people accessing food through DSD feeding programmes (centre based) | 40 253 | 21 599 | 22 679 | 23 813 | |
| 4. Community-based research and planning | | | | | | |
| | • No. of households profiled | 20 709 | 9 504 | 9 979 | 10 478 | |
| | • No. of communities profiled in a ward | 487 | 1 066 | 1 119 | 1 175 | |
| | • No. of community based plans developed | 469 | 785 | 824 | 865 | |
| 5. Youth development | | | | | | |
| | • No. of youth development structures supported | 309 | 352 | 370 | 388 | |
| | • No. of youth participating in National Youth Service Programme | 1 968 | 2 044 | 2 146 | 2 253 | |
| | • No. of youth participating in skills development programmes | 3 099 | 3 826 | 4 017 | 4 218 | |
| | • No. of youth participating in youth mobilisation programmes | 1 704 | 16 135 | 16 942 | 17 789 | |
| | • No. of youth participating in youth mobilisation programmes | 10 | 16 025 | 16 826 | 17 667 | |
| 6. Women development | | | | | | |
| | • No. of women participating in socio-economic empowerment programmes | 2 749 | 4 932 | 5 179 | 5 438 | |
| 7. Population policy promotion | | | | | | |
| | • No. of population capacity development sessions conducted | New | 10 | 11 | 12 | |
| | • No. of individuals who participated in population capacity development sessions | New | 500 | 525 | 551 | |
| | • No. of Population Advocacy, Information, Education and Communication (IEC) activities implemented | New | 50 | 53 | 56 | |
| | • No. of research projects completed | 2 | 3 | 3 | 3 | |
| | • No. of demographic profiles completed | 2 | 5 | 5 | 5 | |
| | • No. of population policy monitoring and evaluation reports produced | New | 1 | 1 | 1 | |
| | • No. of individuals who participated in population capacity development sessions | New | 500 | 525 | 551 | |

7. Other programme information

7.1 Personnel numbers and costs

Table 13.26 presents personnel numbers and costs relating to the department over the seven-year period. Table 13.27 provides a more detailed breakdown of departmental personnel numbers and costs, focusing on the Human Resources and Finance components.

Table 13.26 : Personnel numbers and costs by programme

| 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 | 1 017 | 1 108 | 1 620 | 1 483 | 1 604 | 1 604 | 1 604 |
| 2. Social Welfare Services | 421 | 3 223 | 3 061 | 5 258 | 5 931 | 5 836 | 5 836 |
| 3. Children and Families | 1 079 | 1 119 | 2 176 | 1 644 | 1 812 | 1 916 | 1 916 |
| 4. Restorative Services | 378 | 386 | 318 | 561 | 770 | 781 | 781 |
| 5. Development and Research | 212 | 246 | 246 | 304 | 279 | 368 | 368 |
| Total | 3 108 | 6 082 | 7 421 | 9 250 | 10 396 | 10 505 | 10 505 |
| Total personnel cost (R thousand) | 692 531 | 848 598 | 1 015 767 | 1 155 427 | 1 282 962 | 1 343 338 | 1 410 504 |
| Unit cost (R thousand) | 223 | 140 | 137 | 125 | 123 | 128 | 134 |

Table 13.27 : Summary of departmental personnel numbers and costs by component

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------|-----------|-----------------------|---------------------------|---------------------|-----------------------|-----------|-----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Total for the department | | | | | | | | | |
| Personnel numbers (head count) | 3 108 | 6 082 | 7 421 | 9 250 | 9 250 | 9 250 | 10 396 | 10 505 | 10 505 |
| Personnel cost (R thousands) | 692 531 | 848 598 | 1 015 767 | 1 093 582 | 1 152 521 | 1 155 427 | 1 282 962 | 1 343 338 | 1 410 504 |
| Human resources component | | | | | | | | | |
| Personnel numbers (head count) | 123 | 130 | 99 | 247 | 247 | 247 | 256 | 264 | 264 |
| Personnel cost (R thousands) | 14 368 | 18 388 | 31 100 | 54 215 | 54 215 | 54 215 | 57 453 | 61 073 | 65 837 |
| Head count as % of total for department | 3.96 | 2.14 | 1.33 | 2.67 | 2.67 | 2.67 | 2.46 | 2.51 | 2.51 |
| Personnel cost as % of total for department | 2.07 | 2.17 | 3.06 | 4.96 | 4.70 | 4.69 | 4.48 | 4.55 | 4.67 |
| Finance component | | | | | | | | | |
| Personnel numbers (head count) | 157 | 202 | 50 | 258 | 258 | 258 | 265 | 273 | 273 |
| Personnel cost (R thousands) | 37 619 | 42 300 | 19 166 | 69 120 | 69 120 | 69 120 | 73 259 | 77 874 | 83 949 |
| Head count as % of total for department | 5.05 | 3.32 | 0.67 | 2.79 | 2.79 | 2.79 | 2.55 | 2.60 | 2.60 |
| Personnel cost as % of total for department | 5.43 | 4.98 | 1.89 | 6.32 | 6.00 | 5.98 | 5.71 | 5.80 | 5.95 |
| Full time workers | | | | | | | | | |
| Personnel numbers (head count) | 2 904 | 3 487 | 3 802 | 6 405 | 6 405 | 6 405 | 7 551 | 7 703 | 7 703 |
| Personnel cost (R thousands) | 687 411 | 772 319 | 902 159 | 1 041 800 | 1 100 739 | 1 103 645 | 1 230 024 | 1 283 233 | 1 347 232 |
| Head count as % of total for department | 93.45 | 57.33 | 51.23 | 69.24 | 69.24 | 69.24 | 72.63 | 73.33 | 73.33 |
| Personnel cost as % of total for department | 99.26 | 91.01 | 88.82 | 95.26 | 95.51 | 95.52 | 95.87 | 95.53 | 95.51 |
| Part-time workers | | | | | | | | | |
| Personnel numbers (head count) | - | - | - | - | - | - | - | - | - |
| Personnel cost (R thousands) | - | - | - | - | - | - | - | - | - |
| Head count as % of total for department | - | - | - | - | - | - | - | - | - |
| Personnel cost as % of total for department | - | - | - | - | - | - | - | - | - |
| Contract workers | | | | | | | | | |
| Personnel numbers (head count) | 204 | 2 595 | 3 619 | 2 845 | 2 845 | 2 845 | 2 845 | 2 802 | 2 802 |
| Personnel cost (R thousands) | 5 120 | 76 279 | 113 608 | 51 782 | 51 782 | 51 782 | 52 938 | 60 105 | 63 272 |
| Head count as % of total for department | 6.56 | 42.67 | 48.77 | 30.76 | 30.76 | 30.76 | 27.37 | 26.67 | 26.67 |
| Personnel cost as % of total for department | 0.74 | 8.99 | 11.18 | 4.74 | 4.49 | 4.48 | 4.13 | 4.47 | 4.49 |

The personnel numbers show an increase over the period, due to the revision of the departmental structure in an attempt to cope with policy changes such as the implementation of SCM and the district management model to improve service delivery. This process is not yet fully completed due to budget constraints, and will be finalised over the MTEF. Although there is a general increase in staffing levels from 2011/12, the fluctuations in personnel numbers at programme level over this period relate to adjustments on PERSAL linking staff to the relevant programmes, in line with the change in budget structure.

Also contributing to the escalating personnel costs are the increased number of social work staff, the social worker retention strategy (salary upgrades) and the annual salary improvements.

The significant increase of contract workers in 2012/13 relates to the appointment of CCGs on PERSAL from 1 March 2012, who were previously paid against *Transfers and subsidies to: Non-profit institutions*. Furthermore, the contract posts include interns, cleaners, and other finance staff appointed in critical vacant posts. In 2013/14 the department received the Social Sector EPWP Incentive Grant for Provinces amounting to R14.610 million which was utilised to appoint an additional number of contract workers. The increase in the 2014/15 Adjusted Appropriation is due to the previously mentioned shifting of funds for the *Isibindi* model for the appointment of CCGs. It should be noted, that even though there are delays in the filling of CCG posts, however, Programme 1 shows budget pressures due to the implementation of the district model, as well as previously mentioned higher than budgeted 2014 annual wage adjustment. The head count remains constant due to slow progress in the recruitment process. On aggregate, the increase over the 2015/16 MTEF relates to the absorbed social work graduates in line with national priorities, and the anticipated filling of critical vacant funded posts including social work supervisors, as well as CCGs.

7.2 Training

Tables 13.28 and 13.29 below give a summary of departmental spending and information on training. Table 13.28 includes payments and estimates for training items such as bursaries, as well as normal

training costs, as detailed in *Annexure 13.B* reflected against the items bursaries for employees and training and development.

Training includes short courses for in-house staff, as well as internships in the various programmes. The costs reflected include the costs of staff and other running costs, however, the total cost is less than that reflected against *Training and development* in Annexure 13B from 2011/12 to 2013/14.

Table 13.29 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

Table 13.28 : Payments on training by programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|------------------------------------|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 754 | 1 596 | 1 536 | 2 860 | 2 860 | 1 834 | 7 098 | 8 300 | 8 715 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | 259 | - | - | - | - | - | - | - |
| Other | 754 | 1 337 | 1 536 | 2 860 | 2 860 | 1 834 | 7 098 | 8 300 | 8 715 |
| 2. Social Welfare Services | 1 181 | 236 | 268 | 1 141 | 1 141 | 307 | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | 122 | - | - | - | - | - | - | - |
| Other | 1 181 | 114 | 268 | 1 141 | 1 141 | 307 | - | - | - |
| 3. Children and Families | 808 | 1 068 | 447 | 983 | 983 | 306 | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | 808 | 1 068 | 447 | 983 | 983 | 306 | - | - | - |
| 4. Restorative Services | 197 | 768 | 215 | 187 | 187 | 50 | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | - | - | - | - | - | - | - | - |
| Other | 197 | 768 | 215 | 187 | 187 | 50 | - | - | - |
| 5. Development and Research | 1 059 | 676 | 187 | 1 947 | 4 947 | 752 | - | - | - |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | - | 8 | - | - | - | - | - | - | - |
| Other | 1 059 | 668 | 187 | 1 947 | 4 947 | 752 | - | - | - |
| Total | 3 999 | 4 344 | 2 653 | 7 118 | 10 118 | 3 249 | 7 098 | 8 300 | 8 715 |

Table 13.29 : Information on training: Social Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Number of staff | 3 108 | 6 082 | 7 421 | 9 250 | 9 250 | 9 250 | 10 396 | 10 505 | 10 505 |
| Number of personnel trained | 1 839 | 1 466 | 2 200 | 2 276 | 2 276 | 2 276 | 2 070 | 2 280 | 2 394 |
| of which | | | | | | | | | |
| Male | 598 | 344 | 800 | 855 | 855 | 855 | 920 | 980 | 1 029 |
| Female | 1 241 | 1 122 | 1 400 | 1 421 | 1 421 | 1 421 | 1 150 | 1 300 | 1 365 |
| Number of training opportunities | 293 | 332 | 475 | 491 | 491 | 491 | 705 | 730 | 754 |
| of which | | | | | | | | | |
| Tertiary | 95 | 141 | 230 | 235 | 235 | 235 | 175 | 180 | 189 |
| Workshops | 73 | 84 | 95 | 137 | 137 | 137 | 250 | 250 | 250 |
| Seminars | 125 | 107 | 150 | 119 | 119 | 119 | 280 | 300 | 315 |
| Other | - | - | - | - | - | - | - | - | - |
| Number of bursaries offered | 34 | 141 | 60 | 272 | 272 | 260 | 260 | 270 | 280 |
| Number of interns appointed | 56 | 52 | 85 | 93 | 93 | 95 | 95 | 100 | 105 |
| Number of learnerships appointed | - | - | - | - | - | - | - | - | - |
| Number of days spent on training | - | - | - | - | - | - | - | - | - |

ANNEXURE – VOTE 13: SOCIAL DEVELOPMENT

Table 13.A : Details of departmental receipts: Social Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 4 753 | 4 770 | 4 724 | 5 437 | 5 437 | 3 476 | 5 775 | 6 150 | 6 458 |
| Sale of goods and services produced by dept. (excl. capital assets) | 4 753 | 4 770 | 4 724 | 5 437 | 5 437 | 3 476 | 5 775 | 6 150 | 6 458 |
| Sales by market establishments | - | - | - | - | - | - | - | - | - |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Other sales | 4 753 | 4 770 | 4 724 | 5 437 | 5 437 | 3 476 | 5 775 | 6 150 | 6 458 |
| Of which | | | | | | | | | |
| Rent for parking | - | 83 | 95 | 98 | 98 | 156 | 104 | 111 | 117 |
| Housing rent recoveries | 3 824 | 3 634 | 4 241 | 4 914 | 4 914 | 2 326 | 5 220 | 5 558 | 5 836 |
| Other | 929 | 1 053 | 388 | 425 | 425 | 994 | 451 | 481 | 505 |
| Sale of scrap, waste, arms and other used current goods (excl. capital assets) | - | - | - | - | - | - | - | - | - |
| Transfers received from: | - | - | - | - | - | - | - | - | - |
| Other governmental units | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments | - | - | - | - | - | - | - | - | - |
| International organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Households and non-profit institutions | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | - | 15 | 23 | 24 | 24 | - | 26 | 28 | 29 |
| Interest | - | 15 | 23 | 24 | 24 | - | 26 | 28 | 29 |
| Sale of capital assets | - | 3 494 | - | 450 | 450 | 3 018 | 500 | 533 | 560 |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Other capital assets | - | 3 494 | - | 450 | 450 | 3 018 | 500 | 533 | 560 |
| Transactions in financial assets and liabilities | 11 664 | 4 991 | 1 491 | 1 020 | 1 020 | 948 | 1 071 | 1 130 | 1 187 |
| Total | 16 417 | 13 270 | 6 238 | 6 931 | 6 931 | 7 442 | 7 372 | 7 841 | 8 233 |

Table 13.B : Payments and estimates by economic classification: Social Development

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 1 033 142 | 1 200 137 | 1 371 129 | 1 492 215 | 1 529 301 | 1 527 107 | 1 668 481 | 1 748 116 | 1 835 522 |
| Compensation of employees | 692 531 | 848 598 | 1 015 767 | 1 093 582 | 1 152 521 | 1 155 427 | 1 282 962 | 1 343 338 | 1 410 505 |
| Salaries and wages | 583 443 | 731 724 | 756 892 | 946 711 | 999 919 | 752 600 | 887 751 | 846 302 | 888 617 |
| Social contributions | 109 088 | 116 874 | 258 875 | 146 871 | 152 602 | 402 827 | 395 211 | 497 036 | 521 888 |
| Goods and services | 340 598 | 351 481 | 355 036 | 398 633 | 376 745 | 371 603 | 385 519 | 404 778 | 425 017 |
| Administrative fees | 97 | 243 | 236 | 360 | 460 | 112 | 382 | 397 | 417 |
| Advertising | 11 478 | 13 926 | 9 171 | 6 529 | 5 599 | 4 009 | 5 502 | 5 455 | 5 728 |
| Assets less than the capitalisation threshold | 7 324 | 6 430 | 3 934 | 15 329 | 11 803 | 6 239 | 24 890 | 23 823 | 25 014 |
| Audit cost: External | 7 007 | 2 874 | 4 757 | 4 495 | 4 495 | 4 626 | 4 702 | 4 964 | 5 212 |
| Bursaries: Employees | 261 | 1 369 | 2 767 | 3 967 | 3 756 | 1 847 | 4 150 | 4 370 | 4 589 |
| Catering: Departmental activities | 15 613 | 12 072 | 6 942 | 21 168 | 20 270 | 9 926 | 4 442 | 4 514 | 4 740 |
| Communication (G&S) | 26 369 | 34 543 | 30 014 | 23 936 | 24 036 | 28 041 | 22 625 | 24 362 | 25 580 |
| Computer services | 8 703 | 7 584 | 22 708 | 19 959 | 20 002 | 21 488 | 20 661 | 24 153 | 25 361 |
| Cons & prof serv: Business and advisory services | 1 526 | 2 571 | 13 086 | 27 324 | 23 613 | 6 186 | 15 471 | 19 572 | 20 551 |
| Cons & prof serv: Infra and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 12 904 | 643 | 1 670 | 1 518 | 1 518 | 1 526 | 1 464 | 1 541 | 1 618 |
| Contractors | 13 003 | 21 325 | 28 454 | 35 396 | 34 066 | 23 032 | 38 728 | 33 549 | 35 226 |
| Agency and support / outsourced services | 14 480 | 13 289 | 8 090 | 37 507 | 25 858 | 16 887 | 38 266 | 37 387 | 39 256 |
| Entertainment | 313 | 56 | 988 | 637 | 637 | 187 | - | 302 | 317 |
| Fleet services (incl. govt motor transport) | 24 396 | 28 567 | 16 887 | 18 472 | 18 522 | 35 736 | 20 061 | 20 949 | 21 996 |
| Housing | - | - | 7 996 | - | 20 | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 45 | - | - | 265 | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 11 898 | 15 722 | 2 004 | 416 | 416 | 279 | 466 | 608 | 638 |
| Inventory: Fuel, oil and gas | 89 | 168 | 172 | 2 125 | 2 125 | 656 | 860 | 902 | 947 |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 162 | 857 | 767 | 916 | 916 | 685 | 2 611 | 2 501 | 2 626 |
| Inventory: Medical supplies | 494 | 234 | 424 | 1 158 | 658 | 895 | 1 211 | 1 274 | 1 338 |
| Inventory: Medicine | - | 50 | 78 | - | - | 3 | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | 1 442 | - | - | - | - | - | - |
| Consumable supplies | 3 780 | 3 831 | 6 124 | 10 488 | 8 961 | 7 261 | 9 593 | 9 737 | 10 224 |
| Consumable: Stationery, printing and office supplies | 6 190 | 8 333 | 6 622 | 12 011 | 11 987 | 7 821 | 18 401 | 18 662 | 19 595 |
| Operating leases | 34 574 | 32 921 | 42 492 | 43 046 | 43 106 | 34 588 | 43 094 | 46 302 | 48 617 |
| Property payments | 60 212 | 63 062 | 62 053 | 53 084 | 53 084 | 72 000 | 52 726 | 58 539 | 61 466 |
| Transport provided: Departmental activity | 8 054 | 5 166 | 4 991 | 1 919 | 2 719 | 4 413 | 400 | 400 | 420 |
| Travel and subsistence | 42 165 | 52 735 | 60 553 | 30 997 | 31 797 | 67 972 | 35 608 | 42 000 | 44 100 |
| Training and development | 4 260 | 4 903 | 2 653 | 7 118 | 10 118 | 3 249 | 7 098 | 8 300 | 8 715 |
| Operating payments | 14 285 | 9 881 | 1 296 | 6 285 | 6 285 | 4 721 | 8 305 | 5 732 | 6 019 |
| Venues and facilities | 9 802 | 6 016 | 2 078 | 5 264 | 5 314 | 2 375 | 2 527 | 2 656 | 2 789 |
| Rental and hiring | 1 160 | 2 110 | 3 542 | 7 209 | 4 604 | 4 578 | 1 275 | 1 827 | 1 918 |
| Interest and rent on land | 13 | 57 | 326 | - | 35 | 77 | - | - | - |
| Interest | 13 | - | - | - | 35 | 35 | - | - | - |
| Rent on land | - | 57 | 326 | - | - | 42 | - | - | - |
| Transfers and subsidies | 732 326 | 591 367 | 753 308 | 839 119 | 793 841 | 812 014 | 780 616 | 838 121 | 881 407 |
| Provinces and municipalities | 35 678 | 516 | 365 | 1 670 | 1 670 | 824 | 1 747 | 1 840 | 1 932 |
| Provinces | 678 | 516 | 365 | 1 670 | 1 670 | 824 | 1 747 | 1 840 | 1 932 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 678 | 516 | 365 | 1 670 | 1 670 | 824 | 1 747 | 1 840 | 1 932 |
| Municipalities | 35 000 | - | - | - | - | - | - | - | - |
| Municipalities | 35 000 | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 1 025 | 804 | 6 049 | 1 157 | 1 157 | 567 | 1 321 | 1 684 | 1 768 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 1 025 | 804 | 6 049 | 1 157 | 1 157 | 567 | 1 321 | 1 684 | 1 768 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | 16 607 | 13 500 | 10 500 | 5 785 | - | - | - |
| Public corporations | - | - | 16 607 | 13 500 | 10 500 | 5 785 | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | 16 607 | 13 500 | 10 500 | 5 785 | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 691 989 | 587 284 | 713 172 | 803 011 | 760 733 | 783 473 | 756 768 | 812 206 | 854 196 |
| Households | 3 634 | 2 763 | 17 115 | 19 781 | 19 781 | 21 365 | 20 780 | 22 391 | 23 511 |
| Social benefits | 3 634 | 2 763 | 5 035 | 6 728 | 6 728 | 6 361 | 7 127 | 8 014 | 8 415 |
| Other transfers to households | - | - | 12 080 | 13 053 | 13 053 | 15 004 | 13 653 | 14 377 | 15 096 |
| Payments for capital assets | 167 912 | 190 439 | 205 469 | 166 618 | 166 618 | 150 639 | 174 404 | 174 344 | 189 009 |
| Buildings and other fixed structures | 139 909 | 157 407 | 182 084 | 106 005 | 118 826 | 118 911 | 135 881 | 135 754 | 148 490 |
| Buildings | 139 909 | 157 407 | 182 084 | 106 005 | 118 826 | 118 911 | 135 881 | 134 958 | 147 654 |
| Other fixed structures | - | - | - | - | - | - | - | 796 | 836 |
| Machinery and equipment | 27 519 | 27 785 | 22 900 | 59 438 | 46 617 | 31 225 | 36 425 | 37 670 | 39 554 |
| Transport equipment | 21 496 | 22 108 | - | 19 002 | 19 002 | 10 247 | 20 400 | 19 228 | 20 189 |
| Other machinery and equipment | 6 023 | 5 677 | 22 900 | 40 436 | 27 615 | 20 978 | 16 025 | 18 442 | 19 364 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | 7 | - | - | - |
| Software and other intangible assets | 484 | 5 247 | 485 | 1 175 | 1 175 | 496 | 2 098 | 920 | 966 |
| Payments for financial assets | 877 | 3 443 | - | - | - | - | 6 980 | 6 979 | - |
| Total | 1 934 257 | 1 985 386 | 2 329 906 | 2 497 952 | 2 489 760 | 2 489 760 | 2 630 481 | 2 767 560 | 2 905 938 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (6 980) | (6 979) | - |
| Baseline available for spending after 1st charge | 1 934 257 | 1 985 386 | 2 329 906 | 2 497 952 | 2 489 760 | 2 489 760 | 2 623 501 | 2 760 581 | 2 905 938 |

Table 13.C : Payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 342 724 | 354 070 | 426 881 | 413 837 | 426 819 | 474 561 | 483 070 | 507 340 | 532 707 |
| Compensation of employees | 191 045 | 211 778 | 274 606 | 276 345 | 297 519 | 314 713 | 339 083 | 346 543 | 363 870 |
| Salaries and wages | 162 776 | 180 927 | 173 015 | 241 413 | 256 856 | 222 945 | 291 537 | 218 322 | 229 238 |
| Social contributions | 28 269 | 30 851 | 101 591 | 34 932 | 40 663 | 91 768 | 47 546 | 128 221 | 134 632 |
| Goods and services | 151 666 | 142 235 | 151 949 | 137 492 | 129 265 | 159 771 | 143 987 | 160 797 | 168 837 |
| Administrative fees | (19) | 2 | 152 | 252 | 252 | 78 | 264 | 278 | 292 |
| Advertising | 4 727 | 4 936 | 3 850 | 5 302 | 4 302 | 1 855 | 3 496 | 3 341 | 3 508 |
| Assets less than the capitalisation threshold | 1 767 | 2 349 | 1 611 | 2 212 | 2 212 | 1 304 | 3 053 | 4 465 | 4 688 |
| Audit cost: External | 5 349 | 2 874 | 4 522 | 4 259 | 4 259 | 4 563 | 4 455 | 4 691 | 4 926 |
| Bursaries: Employees | 111 | 490 | 1 246 | 1 860 | 1 629 | 1 215 | 4 150 | 4 370 | 4 589 |
| Catering: Departmental activities | 420 | 1 596 | 632 | 2 887 | 2 887 | 1 218 | 1 088 | 850 | 893 |
| Communication (G&S) | 18 624 | 20 288 | 17 787 | 13 937 | 13 937 | 16 484 | 11 504 | 12 664 | 13 297 |
| Computer services | 5 653 | 3 724 | 7 541 | 6 377 | 6 377 | 15 163 | 20 661 | 24 153 | 25 361 |
| Cons & prof serv: Business and advisory services | - | 2 571 | 1 916 | 3 223 | 3 188 | 747 | 968 | - | - |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 12 904 | 643 | 1 553 | 1 400 | 1 400 | 1 495 | 1 464 | 1 541 | 1 618 |
| Contractors | 2 910 | 740 | 691 | 5 999 | 4 169 | 1 382 | 5 777 | 4 513 | 4 739 |
| Agency and support / outsourced services | 2 656 | 2 290 | 1 238 | 4 625 | (182) | 290 | 2 443 | 3 585 | 3 764 |
| Entertainment | 40 | 18 | 1 000 | 283 | 283 | 87 | - | 296 | 311 |
| Fleet services (incl. govt motor transport) | 14 441 | 11 329 | 16 871 | 4 110 | 4 110 | 19 694 | 4 314 | 4 542 | 4 769 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 4 | - | - | 120 | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 23 | 166 | 117 | 182 | 182 | 79 | 190 | 200 | 210 |
| Inventory: Fuel, oil and gas | 5 | 12 | 1 | 242 | 242 | 77 | 253 | 266 | 279 |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 17 | 121 | 13 | 352 | 352 | 156 | 368 | 387 | 406 |
| Inventory: Medical supplies | - | - | 22 | - | - | - | - | - | - |
| Inventory: Medicine | - | - | 11 | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | (1) | 219 | - | - | - | - | - | - |
| Consumable supplies | 1 593 | 1 047 | 2 028 | 3 833 | 3 833 | 2 406 | 3 097 | 3 222 | 3 383 |
| Consumable: Stationery, printing and office supplies | 2 331 | 4 888 | 4 311 | 6 598 | 6 274 | 4 334 | 6 077 | 6 598 | 6 928 |
| Operating leases | 25 654 | 27 147 | 32 116 | 26 039 | 26 039 | 24 961 | 24 503 | 27 676 | 29 060 |
| Property payments | 21 469 | 20 535 | 16 392 | 19 454 | 19 454 | 20 678 | 18 036 | 21 428 | 22 499 |
| Transport provided: Departmental activity | - | - | - | - | - | 1 | 100 | - | - |
| Travel and subsistence | 24 235 | 24 290 | 32 612 | 17 699 | 17 699 | 37 083 | 16 692 | 19 528 | 20 504 |
| Training and development | 754 | 2 099 | 1 536 | 2 860 | 2 860 | 1 834 | 7 098 | 8 300 | 8 715 |
| Operating payments | 5 777 | 7 421 | 1 182 | 2 786 | 2 786 | 1 540 | 3 144 | 3 068 | 3 221 |
| Venues and facilities | 225 | 478 | 461 | 721 | 721 | 531 | 722 | 761 | 799 |
| Rental and hiring | - | 182 | 314 | - | - | 396 | 70 | 74 | 78 |
| Interest and rent on land | 13 | 57 | 326 | - | 35 | 77 | - | - | - |
| Interest | 13 | - | - | - | 35 | 35 | - | - | - |
| Rent on land | - | 57 | 326 | - | - | 42 | - | - | - |
| Transfers and subsidies | 3 654 | 2 149 | 5 913 | 6 509 | 6 509 | 5 240 | 7 009 | 7 585 | 7 964 |
| Provinces and municipalities | 678 | 516 | 365 | 1 670 | 1 670 | 824 | 1 747 | 1 840 | 1 932 |
| Provinces | 678 | 516 | 365 | 1 670 | 1 670 | 824 | 1 747 | 1 840 | 1 932 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 678 | 516 | 365 | 1 670 | 1 670 | 824 | 1 747 | 1 840 | 1 932 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 1 025 | 810 | 2 809 | 1 157 | 1 157 | 533 | 1 321 | 1 684 | 1 768 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 1 025 | 810 | 2 809 | 1 157 | 1 157 | 533 | 1 321 | 1 684 | 1 768 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 1 951 | 823 | 2 739 | 3 682 | 3 682 | 3 883 | 3 941 | 4 061 | 4 264 |
| Social benefits | 1 951 | 823 | 2 739 | 3 682 | 3 682 | 3 883 | 3 941 | 4 061 | 4 264 |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 23 442 | 30 096 | 21 737 | 24 177 | 20 240 | 12 761 | 24 213 | 22 060 | 23 163 |
| Buildings and other fixed structures | - | - | 24 | - | - | - | - | - | - |
| Buildings | - | - | 24 | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 22 958 | 24 849 | 21 228 | 23 002 | 19 065 | 12 258 | 22 115 | 21 140 | 22 197 |
| Transport equipment | 21 496 | 22 108 | - | 17 165 | 17 165 | 10 247 | 17 955 | 16 653 | 17 486 |
| Other machinery and equipment | 1 462 | 2 741 | 21 228 | 5 837 | 1 900 | 2 011 | 4 160 | 4 487 | 4 711 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | 7 | - | - | - |
| Software and other intangible assets | 484 | 5 247 | 485 | 1 175 | 1 175 | 496 | 2 098 | 920 | 966 |
| Payments for financial assets | 877 | 3 443 | - | - | - | - | 1 271 | 1 314 | - |
| Total | 370 697 | 389 758 | 454 531 | 444 523 | 453 568 | 492 562 | 515 563 | 538 299 | 563 834 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (1 271) | (1 314) | - |
| Baseline available for spending after 1st charge | 370 697 | 389 758 | 454 531 | 444 523 | 453 568 | 492 562 | 514 292 | 536 985 | 563 834 |

Estimates of Provincial Revenue and Expenditure

Table 13.D : Payments and estimates by economic classification: Social Welfare Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 156 766 | 242 509 | 253 248 | 253 525 | 253 525 | 327 056 | 320 329 | 323 439 | 339 611 |
| Compensation of employees | 86 604 | 153 708 | 174 327 | 175 836 | 175 836 | 252 508 | 238 844 | 241 601 | 253 681 |
| Salaries and wages | 73 494 | 139 925 | 110 315 | 158 338 | 158 338 | 159 081 | 151 581 | 152 208 | 159 818 |
| Social contributions | 13 110 | 13 783 | 64 012 | 17 498 | 17 498 | 93 427 | 87 263 | 89 393 | 93 863 |
| Goods and services | 70 162 | 88 801 | 78 921 | 77 689 | 77 689 | 74 548 | 81 485 | 81 838 | 85 930 |
| Administrative fees | 63 | 132 | 62 | 48 | 48 | 13 | 52 | 51 | 54 |
| Advertising | 2 872 | 1 232 | 1 875 | 347 | 347 | 1 463 | 1 000 | 1 053 | 1 106 |
| Assets less than the capitalisation threshold | 1 967 | 1 695 | 1 144 | 3 250 | 3 250 | 1 991 | 5 970 | 5 728 | 6 014 |
| Audit cost: External | 1 658 | - | 235 | - | - | - | - | - | - |
| Bursaries: Employees | 82 | 437 | 849 | 702 | 702 | 394 | - | - | - |
| Catering: Departmental activities | 3 722 | 3 265 | 2 012 | 6 879 | 6 879 | 3 767 | 504 | 508 | 533 |
| Communication (G&S) | 2 230 | 5 438 | 5 024 | 1 744 | 1 744 | 3 777 | 3 245 | 2 602 | 2 732 |
| Computer services | 1 326 | 2 123 | 3 495 | 3 381 | 3 381 | 912 | - | - | - |
| Cons & prof serv: Business and advisory services | - | - | 9 058 | 3 292 | 3 292 | 885 | 3 007 | 3 007 | 3 157 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | (101) | 117 | - | - | - | - | - | - |
| Contractors | 4 013 | 10 134 | 14 238 | 17 568 | 17 568 | 14 418 | 19 643 | 18 709 | 19 644 |
| Agency and support / outsourced services | 3 152 | 2 122 | (10 147) | 13 394 | 13 394 | 4 827 | 16 056 | 16 907 | 17 752 |
| Entertainment | 253 | 4 | (50) | 80 | 80 | 22 | - | - | - |
| Fleet services (incl. govt motor transport) | 3 976 | 7 068 | (4 682) | 2 886 | 2 886 | 4 088 | 3 753 | 3 952 | 4 150 |
| Housing | - | - | 7 996 | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 21 | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 11 759 | 15 393 | 1 957 | - | - | - | 31 | 33 | 35 |
| Inventory: Fuel, oil and gas | 21 | 23 | 148 | 513 | 513 | 148 | 103 | 109 | 114 |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 132 | 166 | 224 | 167 | 167 | 335 | 726 | 764 | 802 |
| Inventory: Medical supplies | 300 | 1 | 231 | - | - | 106 | - | - | - |
| Inventory: Medicine | - | - | 17 | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | 1 | 672 | - | - | - | - | - | - |
| Consumable supplies | 522 | 827 | 2 754 | 1 021 | 1 021 | 843 | 985 | 1 037 | 1 089 |
| Consumable: Stationery, printing and office supplies | 1 794 | 1 564 | 780 | 1 284 | 1 284 | 748 | 3 623 | 3 367 | 3 535 |
| Operating leases | 3 884 | 2 782 | 5 242 | 6 072 | 6 072 | 3 516 | 7 266 | 7 651 | 8 034 |
| Property payments | 13 150 | 17 638 | 18 181 | 7 216 | 7 216 | 13 974 | 9 691 | 10 205 | 10 715 |
| Transport provided: Departmental activity | 1 524 | 943 | 2 556 | 738 | 738 | 1 959 | - | 16 | 17 |
| Travel and subsistence | 6 473 | 11 948 | 12 715 | 4 310 | 4 310 | 12 241 | 5 035 | 5 314 | 5 580 |
| Training and development | 1 181 | 236 | 268 | 1 141 | 1 141 | 307 | - | - | - |
| Operating payments | 802 | 919 | 16 | 759 | 759 | 1 592 | 794 | 836 | 878 |
| Venues and facilities | 2 761 | 2 125 | 446 | 897 | 897 | 385 | 1 | (11) | (12) |
| Rental and hiring | 545 | 686 | 1 467 | - | - | 1 837 | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 227 976 | 201 171 | 259 506 | 215 615 | 215 615 | 253 125 | 222 230 | 234 587 | 246 316 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | (6) | 19 | - | - | 34 | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | (6) | 19 | - | - | 34 | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 226 654 | 199 695 | 246 925 | 200 667 | 200 667 | 236 893 | 206 647 | 217 600 | 228 480 |
| Households | 1 322 | 1 482 | 12 562 | 14 948 | 14 948 | 16 198 | 15 583 | 16 987 | 17 836 |
| Social benefits | 1 322 | 1 482 | 482 | 1 895 | 1 895 | 1 194 | 1 930 | 2 610 | 2 741 |
| Other transfers to households | - | - | 12 080 | 13 053 | 13 053 | 15 004 | 13 653 | 14 377 | 15 096 |
| Payments for capital assets | 40 040 | 86 041 | 91 310 | 40 786 | 44 723 | 89 826 | 82 435 | 84 930 | 89 177 |
| Buildings and other fixed structures | 38 985 | 85 203 | 91 068 | 33 805 | 39 798 | 86 084 | 77 525 | 79 613 | 83 594 |
| Buildings | 38 985 | 85 203 | 91 068 | 33 805 | 39 798 | 86 084 | 77 525 | 79 399 | 83 369 |
| Other fixed structures | - | - | - | - | - | - | - | 214 | 225 |
| Machinery and equipment | 1 055 | 838 | 242 | 6 981 | 4 925 | 3 742 | 4 910 | 5 317 | 5 583 |
| Transport equipment | (172) | - | - | 1 837 | 1 837 | - | 2 445 | 2 575 | 2 704 |
| Other machinery and equipment | 1 227 | 838 | 242 | 5 144 | 3 088 | 3 742 | 2 465 | 2 742 | 2 879 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | 1 441 | 1 476 | - |
| Total | 424 782 | 529 721 | 604 064 | 509 926 | 513 863 | 670 007 | 626 435 | 644 432 | 675 104 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (1 441) | (1 476) | - |
| Baseline available for spending after 1st charge | 424 782 | 529 721 | 604 064 | 509 926 | 513 863 | 670 007 | 624 994 | 642 956 | 675 104 |

Table 13.E : Payments and estimates by economic classification: Children and Families

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 321 790 | 364 823 | 432 205 | 492 478 | 514 743 | 436 403 | 514 049 | 544 195 | 571 405 |
| Compensation of employees | 262 603 | 306 692 | 364 183 | 390 569 | 428 334 | 364 576 | 435 500 | 464 637 | 487 869 |
| Salaries and wages | 219 232 | 261 117 | 315 075 | 336 790 | 374 555 | 229 685 | 274 826 | 292 721 | 307 357 |
| Social contributions | 43 371 | 45 575 | 49 108 | 53 779 | 53 779 | 134 891 | 160 674 | 171 916 | 180 512 |
| Goods and services | 59 187 | 58 131 | 68 022 | 101 909 | 86 409 | 71 827 | 78 549 | 79 558 | 83 536 |
| Administrative fees | 43 | 86 | - | 49 | 49 | 18 | 52 | 55 | 58 |
| Advertising | 1 846 | 1 095 | 1 284 | 578 | 578 | 345 | 646 | 681 | 715 |
| Assets less than the capitalisation threshold | 1 539 | 1 484 | 398 | 5 844 | 2 318 | 1 319 | 3 627 | 3 829 | 4 020 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | 54 | 286 | 549 | 702 | 702 | 226 | - | - | - |
| Catering: Departmental activities | 5 506 | 2 637 | 1 869 | 4 512 | 4 512 | 2 272 | 2 500 | 2 750 | 2 888 |
| Communication (G&S) | 2 544 | 3 703 | 2 912 | 4 425 | 4 425 | 3 272 | 4 418 | 5 705 | 5 990 |
| Computer services | 1 449 | 1 390 | 3 072 | 6 890 | 6 890 | 4 509 | - | - | - |
| Cons & prof serv: Business and advisory services | 1 | - | 1 518 | 5 593 | 5 593 | 265 | - | 205 | 215 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 3 361 | 7 616 | 10 161 | 4 034 | 4 034 | 2 850 | 6 677 | 5 018 | 5 269 |
| Agency and support / outsourced services | 5 541 | 5 199 | 13 731 | 12 013 | 5 171 | 5 355 | 12 950 | 10 769 | 11 307 |
| Entertainment | (253) | 33 | 30 | 78 | 78 | 26 | - | 6 | 6 |
| Fleet services (incl. govt motor transport) | 2 786 | 5 460 | 1 218 | 9 292 | 9 292 | 9 217 | 7 560 | 7 821 | 8 212 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 20 | - | - | 145 | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 115 | 152 | (28) | 223 | 223 | 197 | 233 | 245 | 257 |
| Inventory: Fuel, oil and gas | 14 | 22 | - | 1 020 | 1 020 | 317 | 173 | 182 | 191 |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | 117 | 426 | 134 | 134 | 124 | 691 | 727 | 763 |
| Inventory: Medical supplies | 190 | 225 | 161 | 1 057 | 557 | 764 | 1 106 | 1 164 | 1 222 |
| Inventory: Medicine | - | 50 | 25 | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | 440 | - | - | - | - | - | - |
| Consumable supplies | 1 335 | 1 682 | 1 020 | 3 819 | 2 292 | 2 621 | 3 526 | 3 767 | 3 955 |
| Consumable: Stationery, printing and office supplies | 1 287 | 416 | 708 | 1 868 | 1 868 | 1 527 | 2 175 | 2 278 | 2 392 |
| Operating leases | 3 135 | 1 827 | 3 489 | 6 871 | 6 871 | 2 978 | 7 085 | 7 418 | 7 789 |
| Property payments | 14 977 | 12 651 | 16 400 | 16 610 | 16 610 | 23 399 | 16 145 | 17 019 | 17 870 |
| Transport provided: Departmental activity | 3 351 | 1 750 | 1 029 | 612 | 612 | 290 | - | 34 | 36 |
| Travel and subsistence | 5 176 | 8 060 | 6 240 | 4 918 | 4 918 | 7 532 | 5 736 | 5 962 | 6 260 |
| Training and development | 808 | 114 | 447 | 983 | 983 | 306 | - | - | - |
| Operating payments | 681 | 702 | (67) | 1 046 | 1 046 | 465 | 1 094 | 1 152 | 1 210 |
| Venues and facilities | 3 122 | 509 | 278 | 1 529 | 1 529 | 674 | 1 000 | 1 078 | 1 132 |
| Rental and hiring | 579 | 865 | 692 | 7 209 | 4 104 | 814 | 1 155 | 1 693 | 1 778 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 440 964 | 319 021 | 375 393 | 480 371 | 442 606 | 450 347 | 415 828 | 452 196 | 476 186 |
| Provinces and municipalities | 35 000 | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | 35 000 | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | 35 000 | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | 3 221 | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | 3 221 | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 405 612 | 318 846 | 370 690 | 479 883 | 442 118 | 449 663 | 415 275 | 451 598 | 475 558 |
| Households | 352 | 175 | 1 482 | 488 | 488 | 684 | 553 | 598 | 628 |
| Social benefits | 352 | 175 | 1 482 | 488 | 488 | 684 | 553 | 598 | 628 |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 52 048 | 37 217 | 30 812 | 12 294 | 12 294 | 7 992 | 41 022 | 47 614 | 55 943 |
| Buildings and other fixed structures | 50 461 | 36 102 | 30 688 | - | - | 85 | 37 405 | 41 719 | 49 753 |
| Buildings | 50 461 | 36 102 | 30 688 | - | - | 85 | 37 405 | 41 719 | 49 753 |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 1 587 | 1 115 | 124 | 12 294 | 12 294 | 7 907 | 3 617 | 5 895 | 6 190 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 1 587 | 1 115 | 124 | 12 294 | 12 294 | 7 907 | 3 617 | 5 895 | 6 190 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | 2 718 | 2 594 | - |
| Total | 814 802 | 721 061 | 838 410 | 985 143 | 969 643 | 894 742 | 973 617 | 1 046 599 | 1 103 533 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (2 718) | (2 594) | - |
| Baseline available for spending after 1st charge | 814 802 | 721 061 | 838 410 | 985 143 | 969 643 | 894 742 | 970 899 | 1 044 005 | 1 103 533 |

Table 13.F : Payments and estimates by economic classification: Restorative Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 133 540 | 145 823 | 163 368 | 207 530 | 206 369 | 170 554 | 204 425 | 216 275 | 227 089 |
| Compensation of employees | 101 910 | 114 173 | 139 190 | 151 809 | 151 809 | 135 957 | 156 654 | 168 872 | 177 316 |
| Salaries and wages | 85 150 | 97 091 | 118 506 | 129 821 | 129 821 | 85 654 | 98 692 | 106 389 | 111 708 |
| Social contributions | 16 760 | 17 082 | 20 684 | 21 988 | 21 988 | 50 303 | 57 962 | 62 483 | 65 607 |
| Goods and services | 31 630 | 31 649 | 24 178 | 55 721 | 54 560 | 34 597 | 47 771 | 47 403 | 49 773 |
| Administrative fees | 10 | 22 | 10 | 11 | 111 | 3 | 14 | 13 | 14 |
| Advertising | 2 185 | 6 069 | 1 912 | 237 | 307 | 196 | 292 | 308 | 323 |
| Assets less than the capitalisation threshold | 513 | 420 | 458 | 3 208 | 3 208 | 1 066 | 4 793 | 3 939 | 4 136 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | 14 | 72 | 137 | 703 | 723 | - | - | - | - |
| Catering: Departmental activities | 4 164 | 1 297 | 976 | 3 929 | 3 031 | 852 | - | - | - |
| Communication (G&S) | 1 026 | 1 263 | 1 051 | 2 699 | 2 799 | 2 151 | 2 175 | 2 290 | 2 405 |
| Computer services | 275 | 347 | 600 | 3 075 | 3 118 | 841 | - | - | - |
| Cons & prof serv: Business and advisory services | 1 127 | - | 380 | 6 409 | 2 733 | 1 621 | 2 113 | 2 592 | 2 722 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | 101 | - | - | - | - | - | - | - |
| Contractors | 1 803 | 1 781 | 2 725 | 6 291 | 6 791 | 3 730 | 4 658 | 4 484 | 4 708 |
| Agency and support / outsourced services | 3 595 | 3 293 | 3 215 | 7 268 | 7 268 | 6 310 | 6 601 | 5 967 | 6 265 |
| Entertainment | - | 1 | 8 | 78 | 78 | 21 | - | - | - |
| Fleet services (incl. govt motor transport) | 683 | 1 247 | 1 035 | 1 241 | 1 291 | 1 643 | 3 311 | 3 081 | 3 235 |
| Housing | - | - | - | - | 20 | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 1 | 4 | (42) | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 24 | 31 | 24 | 347 | 347 | 114 | 328 | 345 | 362 |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 13 | 40 | 104 | 39 | 39 | 10 | 592 | 623 | 654 |
| Inventory: Medical supplies | 4 | 8 | 10 | 101 | 101 | 25 | 105 | 110 | 116 |
| Inventory: Medicine | - | - | 25 | - | - | 3 | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | 110 | - | - | - | - | - | - |
| Consumable supplies | 315 | 248 | 293 | 1 450 | 1 450 | 1 259 | 1 603 | 1 689 | 1 773 |
| Consumable: Stationery, printing and office supplies | 407 | 964 | 474 | 1 502 | 1 802 | 719 | 2 387 | 2 666 | 2 799 |
| Operating leases | 1 339 | 838 | 1 264 | 3 158 | 3 218 | 2 462 | 3 292 | 3 466 | 3 639 |
| Property payments | 7 095 | 8 505 | 6 626 | 8 726 | 8 726 | 6 580 | 7 607 | 9 589 | 10 068 |
| Transport provided: Departmental activity | 2 562 | 918 | 354 | 569 | 1 369 | 887 | - | - | - |
| Travel and subsistence | 1 095 | 2 154 | 1 752 | 2 820 | 3 620 | 3 067 | 5 047 | 5 315 | 5 581 |
| Training and development | 197 | 28 | 215 | 187 | 187 | 50 | - | - | - |
| Operating payments | 303 | 462 | (4) | 923 | 923 | 288 | 2 466 | 518 | 544 |
| Venues and facilities | 2 845 | 1 344 | 248 | 750 | 800 | 365 | 387 | 408 | 428 |
| Rental and hiring | 36 | 192 | 218 | - | 500 | 334 | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 36 179 | 36 376 | 37 762 | 67 322 | 62 809 | 49 530 | 68 987 | 72 050 | 75 653 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 36 170 | 36 268 | 37 597 | 67 202 | 62 689 | 49 158 | 68 852 | 71 903 | 75 498 |
| Households | 9 | 108 | 165 | 120 | 120 | 372 | 135 | 147 | 154 |
| Social benefits | 9 | 108 | 165 | 120 | 120 | 372 | 135 | 147 | 154 |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 348 | 34 | 944 | 13 279 | 13 279 | 8 829 | 18 336 | 6 958 | 7 306 |
| Buildings and other fixed structures | - | - | - | 10 998 | 10 998 | 8 252 | 15 951 | 5 029 | 5 280 |
| Buildings | - | - | - | 10 998 | 10 998 | 8 252 | 15 951 | 4 447 | 4 669 |
| Other fixed structures | - | - | - | - | - | - | - | 582 | 611 |
| Machinery and equipment | 348 | 34 | 944 | 2 281 | 2 281 | 577 | 2 385 | 1 929 | 2 025 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 348 | 34 | 944 | 2 281 | 2 281 | 577 | 2 385 | 1 929 | 2 025 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | 792 | 800 | - |
| Total | 170 067 | 182 233 | 202 074 | 288 131 | 282 457 | 228 913 | 292 540 | 296 083 | 310 047 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (792) | (800) | - |
| Baseline available for spending after 1st charge | 170 067 | 182 233 | 202 074 | 288 131 | 282 457 | 228 913 | 291 748 | 295 283 | 310 047 |

Table 13.G : Payments and estimates by economic classification: Development and Research

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 78 322 | 92 912 | 95 427 | 124 845 | 127 845 | 118 533 | 146 608 | 156 867 | 164 710 |
| Compensation of employees | 50 369 | 62 247 | 63 461 | 99 023 | 99 023 | 87 673 | 112 881 | 121 685 | 127 769 |
| Salaries and wages | 42 791 | 52 664 | 39 981 | 80 349 | 80 349 | 55 235 | 71 115 | 76 662 | 80 495 |
| Social contributions | 7 578 | 9 583 | 23 480 | 18 674 | 18 674 | 32 438 | 41 766 | 45 023 | 47 274 |
| Goods and services | 27 953 | 30 665 | 31 966 | 25 822 | 28 822 | 30 860 | 33 727 | 35 182 | 36 941 |
| Administrative fees | - | 1 | 12 | - | - | - | - | - | - |
| Advertising | (152) | 594 | 250 | 65 | 65 | 150 | 68 | 72 | 76 |
| Assets less than the capitalisation threshold | 1 538 | 482 | 323 | 815 | 815 | 559 | 7 447 | 5 862 | 6 155 |
| Audit cost: External | - | - | - | 236 | 236 | 63 | 247 | 273 | 287 |
| Bursaries: Employees | - | 84 | (14) | - | - | 12 | - | - | - |
| Catering: Departmental activities | 1 801 | 3 277 | 1 453 | 2 961 | 2 961 | 1 817 | 350 | 406 | 426 |
| Communication (G&S) | 1 945 | 3 851 | 3 240 | 1 131 | 1 131 | 2 357 | 1 283 | 1 101 | 1 156 |
| Computer services | - | - | 8 000 | 236 | 236 | 63 | - | - | - |
| Cons & prof serv: Business and advisory services | 398 | - | 214 | 8 807 | 8 807 | 2 668 | 9 383 | 13 768 | 14 456 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | 118 | 118 | 31 | - | - | - |
| Contractors | 916 | 1 054 | 639 | 1 504 | 1 504 | 652 | 1 973 | 825 | 866 |
| Agency and support / outsourced services | (464) | 385 | 53 | 207 | 207 | 105 | 216 | 159 | 167 |
| Entertainment | 273 | - | - | 118 | 118 | 31 | - | - | - |
| Fleet services (incl. govt motor transport) | 2 510 | 3 463 | 2 445 | 943 | 943 | 1 094 | 1 123 | 1 553 | 1 631 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | 7 | - | 11 | 11 | 3 | 12 | 130 | 137 |
| Inventory: Fuel, oil and gas | 25 | 80 | (1) | 3 | 3 | - | 3 | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | 413 | - | 224 | 224 | 60 | 234 | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | 1 | - | - | - | - | - | - |
| Consumable supplies | 15 | 27 | 29 | 365 | 365 | 132 | 382 | 22 | 23 |
| Consumable: Stationery, printing and office supplies | 371 | 501 | 349 | 759 | 759 | 493 | 4 139 | 3 753 | 3 941 |
| Operating leases | 562 | 327 | 381 | 906 | 906 | 671 | 948 | 91 | 96 |
| Property payments | 3 521 | 3 733 | 4 454 | 1 078 | 1 078 | 7 369 | 1 247 | 298 | 313 |
| Transport provided: Departmental activity | 617 | 1 555 | 1 052 | - | - | 1 276 | 300 | 350 | 368 |
| Travel and subsistence | 5 186 | 6 283 | 7 234 | 1 250 | 1 250 | 8 049 | 3 098 | 5 881 | 6 175 |
| Training and development | 1 320 | 2 426 | 187 | 1 947 | 4 947 | 752 | - | - | - |
| Operating payments | 6 722 | 377 | 169 | 771 | 771 | 836 | 807 | 158 | 166 |
| Venues and facilities | 849 | 1 560 | 645 | 1 367 | 1 367 | 420 | 417 | 420 | 441 |
| Rental and hiring | - | 185 | 851 | - | - | 1 197 | 50 | 60 | 63 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 23 553 | 32 650 | 74 734 | 69 302 | 66 302 | 53 772 | 66 562 | 71 703 | 75 288 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | 16 607 | 13 500 | 10 500 | 5 785 | - | - | - |
| Public corporations | - | - | 16 607 | 13 500 | 10 500 | 5 785 | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | 16 607 | 13 500 | 10 500 | 5 785 | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 23 553 | 32 475 | 57 960 | 55 259 | 55 259 | 47 759 | 65 994 | 71 105 | 74 660 |
| Households | - | 175 | 167 | 543 | 543 | 228 | 568 | 598 | 628 |
| Social benefits | - | 175 | 167 | 543 | 543 | 228 | 568 | 598 | 628 |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 52 034 | 37 051 | 60 666 | 76 082 | 76 082 | 31 231 | 8 398 | 12 782 | 13 421 |
| Buildings and other fixed structures | 50 463 | 36 102 | 60 304 | 61 202 | 68 030 | 24 490 | 5 000 | 9 393 | 9 863 |
| Buildings | 50 463 | 36 102 | 60 304 | 61 202 | 68 030 | 24 490 | 5 000 | 9 393 | 9 863 |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 1 571 | 949 | 362 | 14 880 | 8 052 | 6 741 | 3 398 | 3 389 | 3 558 |
| Transport equipment | 172 | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 1 399 | 949 | 362 | 14 880 | 8 052 | 6 741 | 3 398 | 3 389 | 3 558 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | 758 | 795 | - |
| Total | 153 909 | 162 613 | 230 827 | 270 229 | 270 229 | 203 536 | 222 326 | 242 147 | 253 420 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (758) | (795) | - |
| Baseline available for spending after 1st charge | 153 909 | 162 613 | 230 827 | 270 229 | 270 229 | 203 536 | 221 568 | 241 352 | 253 420 |

Table 13.H : Payments and estimates by economic classification: Conditional grants

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|------------|---------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | - | 14 610 | 5 746 | 5 746 | 5 746 | 3 000 | - | - |
| Compensation of employees | - | - | 14 610 | 5 746 | 5 746 | 5 746 | 3 000 | - | - |
| Salaries and wages | - | - | 14 610 | 5 746 | 5 746 | 5 746 | 3 000 | - | - |
| Social contributions | - | - | - | - | - | - | - | - | - |
| Goods and services | - | - | - | - | - | - | - | - | - |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | - | - | - | - | - | - | - | - | - |
| Assets less than the capitalisation threshold | - | - | - | - | - | - | - | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | - | - | - | - | - | - | - | - |
| Communication (G&S) | - | - | - | - | - | - | - | - | - |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Infrast and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | - | - | - | - | - | - | - | - | - |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Venues and facilities | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 3 821 | 674 | - | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 3 821 | 674 | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 3 821 | 674 | 14 610 | 5 746 | 5 746 | 5 746 | 3 000 | - | - |

Table 13.I : Payments and estimates by economic classification: Social Sector EPWP Incentive Grant for Provinces (Social Welfare Services)

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--------------------------------------|-----------------|---------|---------|---------------|---------------|----------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | - | 14 610 | 3 746 | 3 746 | 3 746 | 3 000 | - | - |
| Compensation of employees | - | - | 14 610 | 3 746 | 3 746 | 3 746 | 3 000 | - | - |
| Salaries and wages | - | - | 14 610 | 3 746 | 3 746 | 3 746 | 3 000 | - | - |
| Goods and services | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 3 821 | 674 | - | - | - | - | - | - | - |
| Non-profit institutions | 3 821 | 674 | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 3 821 | 674 | 14 610 | 3 746 | 3 746 | 3 746 | 3 000 | - | - |

Table 13.J : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Social Welfare Services)

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--------------------------------------|-----------------|---------|---------|---------------|---------------|----------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | - | - | 2 000 | 2 000 | 2 000 | - | - | - |
| Compensation of employees | - | - | - | 2 000 | 2 000 | 2 000 | - | - | - |
| Salaries and wages | - | - | - | 2 000 | 2 000 | 2 000 | - | - | - |
| Goods and services | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | 2 000 | 2 000 | 2 000 | - | - | - |

Table 13.K : Social Development - Paym

| Project name | | Municipality / Region | Type of infrastructure | | Project duration | | | Source of funding | Budget programme name | Targeted number of jobs for 2015/16 | Total project cost | Expenditure to date from previous years | Total available | MTEF Forward estimates | |
|--|--|-----------------------|--|---------|------------------|-----------------|--|-------------------|-----------------------|-------------------------------------|--------------------|---|-----------------|------------------------|---------|
| | | | School - primary/ secondary/ specialised; admin block; water; electricity; sanitation/toilet; fencing etc. | Units | Date: Start | Date: Finish | | | | | | | 2015/16 | 2016/17 | 2017/18 |
| R thousands | | | | | | | | | | | | | | | |
| Existing infrastructure assets | | | | | | | | | | | | | | | |
| <i>of which:</i> | | | | | | | | | | | | | | | |
| Maintenance and repair: Current | | | | | | | | | | 65 | 105 902 | 115 804 | 50 838 | 55 707 | 57 274 |
| Various | | Various | Maintenance of buildings | Various | Ongoing | Ongoing | | Equitable share | Various | - | - | - | 17 057 | 17 961 | 18 859 |
| Upgrades and additions: Capital | | | | | | | | | | - | - | 34 481 | 13 781 | 14 746 | 15 483 |
| Upgrades and additions | | Various | Upgrades and additions | Various | Ongoing | Ongoing | | Equitable share | Various | - | - | 34 481 | 13 781 | 14 746 | 15 483 |
| Refurbishment and rehabilitation: Capital | | | | | | | | | | 65 | 105 902 | 81 323 | 20 000 | 23 000 | 22 932 |
| Various | | Various | Refurbishment and rehabilitation | Various | Ongoing | Ongoing | | Equitable share | Various | 65 | 105 902 | 81 323 | 20 000 | 23 000 | 22 932 |
| New infrastructure assets: Capital | | | | | | | | | | | | | | | |
| <i>of which:</i> | | | | | | | | | | | | | | | |
| Inanda Service Office | | eThekweni | Service Office | 5 | 08 April 2015 | 31 March 2018 | | Equitable share | Programme 2 | 40 | 20 934 | 261 | 1 032 | 500 | - |
| Oswest Service Office | | Amajuba | Service Office | 1 | 08 April 2015 | 31 March 2018 | | Equitable share | Programme 2 | 40 | 20 000 | - | 500 | 5 280 | 6 200 |
| Inkululeko Regeneration: One stop development centre | | Umkhanyakude | Elderly day care centre | 2 | 08 April 2014 | 31 March 2018 | | Equitable share | Various | 50 | 19 905 | 1 102 | 4 262 | 8 014 | 4 417 |
| Inkululeko Regeneration: Elderly Day Care Centre | | Umkhanyakude | Elderly day care centre | 2 | 01 March 2015 | 01 March 2018 | | Equitable share | Various | 50 | 10 048 | 559 | 1 893 | 4 561 | 2 000 |
| Babango Service Office | | Zululand | Service Office | 5 | 08 April 2015 | 01 April 2018 | | Equitable share | Programme 2 | 40 | 9 500 | 258 | 500 | 4 500 | 5 500 |
| Kranskop Service Office | | Umkhanyathi | Service Office | 5 | 08 April 2015 | 31 March 2018 | | Equitable share | Programme 2 | 40 | 9 500 | 90 | 2 000 | 4 000 | 5 000 |
| Inkululeko Regeneration: ECDC | | Umkhanyakude | Early Childhood Development Centre | 1 | 01 March 2015 | 01 January 2018 | | Equitable share | Programme 3 | 30 | 8 930 | 474 | 1 898 | 5 558 | 2 000 |
| Inkululeko Regeneration: Community care centre | | Umkhanyakude | Community care centre | 3 | 01 March 2015 | 01 March 2018 | | Equitable share | Programme 3 | 50 | 8 014 | 706 | 2 719 | 4 621 | 2 000 |
| Umninkhulu Service Office | | Harry Gwala | Service Office | 4 | 08 April 2014 | 31 March 2018 | | Equitable share | Programme 2 | 40 | 8 000 | - | 400 | 5 000 | 2 500 |
| Various | | Various | New construction | Various | Ongoing | Ongoing | | Equitable share | Various | 940 | 445 658 | 137 772 | 86 896 | 55 974 | 80 455 |
| Infrastructure transfers | | | | | | | | | | | | | | | |
| <i>of which:</i> | | | | | | | | | | | | | | | |
| Infrastructure transfers: Current | | | | | | | | | | - | - | - | - | - | - |
| Infrastructure transfers: Capital | | | | | | | | | | - | - | - | - | - | - |
| Infrastructure: Payments for financial assets | | | | | | | | | | | | | | | |
| Infrastructure: Leases | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | |
| | | | | | | | | | | 1 385 | 666 391 | 257 026 | 152 938 | 153 715 | 167 346 |
| Capital infrastructure | | | | | | | | | | 1 385 | 666 391 | 257 026 | 135 881 | 135 754 | 148 487 |
| Current infrastructure | | | | | | | | | | - | - | - | 17 057 | 17 961 | 18 859 |

VOTE 14

Public Works

| | |
|---------------------------------|--|
| Operational budget | R 1 387 844 423 |
| MEC remuneration | R 1 821 577 |
| Total amount to be appropriated | R 1 389 666 000 |
| Responsible MEC | MEC for Human Settlements and Public Works |
| Administering department | Public Works |
| Accounting officer | Head: Public Works |

1. Overview

Vision

The department's vision is: *A thriving economy through infrastructure development and property management.*

Mission statement

The department's mission is: *We will lead in infrastructure development and property management in KZN.*

Strategic objectives

Strategic policy direction: The Department of Public Works (DOPW) was restructured to be a capable implementing agent of choice for the client departments requiring building infrastructure services and property management such as office accommodation. The department has a responsibility to deliver on certain key social issues in consultation with the client departments. The department does not only deliver social infrastructure such as schools, clinics and hospitals, but it also co-ordinates the provincial infrastructure cluster. These are the core business functions of the department which are in line with the outcome based strategic goals and objectives in the 5-year strategic plan (2015-2020) of the department.

Core functions

In carrying out its mandate, the department undertakes the following core functions:

- The acquisition of public buildings and land.
- The construction of public buildings, involving the physical erection or major improvements in respect of infrastructure in the building environment.
- The maintenance of public buildings and land, including performing the necessary work to keep the required level of operation and the payment of property rates.
- The alienation of public buildings and land, including the disposal of fixed assets by selling, demolition, exchanging and donation.

Legislative mandate

Within the broad statutory mandates of government institutions, the following mandates guide the department's core functions:

- Constitution of the Republic of South Africa (No. 108 of 1996)
- Public Service Act (No. 30 of 2007)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and the Treasury Regulations

- Government Immovable Asset Management Act (No. 19 of 2007)
- Local Government: Municipal Rates Act (No. 6 of 2004)
- Construction Industry Development Board Act (No. 38 of 2000)
- National Building Regulations and Building Standards Act (No. 103 of 1977)
- Occupational Health and Safety Act (No. 85 of 1993)
- State Land Disposal Act (No. 48 of 1961)
- Prevention of Eviction from and Unlawful Occupation of Land Act (No. 19 of 1998)
- KwaZulu-Natal Land Administration Act (No. 3 of 2003)
- KwaZulu-Natal Heritage Act (No. 10 of 1997)
- Broad Based Black Economic Empowerment Act (No. 53 of 2004)
- Labour Relations Act (No. 66 of 1995)
- Employment Equity Act (No. 55 of 1995)
- Skills Development Act (No. 97 of 1998)
- Basic Conditions of Employment Act (No. 75 of 1997)
- Intergovernmental Relations Framework Act (No. 13 of 2005)
- Preferential Procurement Policy Framework Act (No. 5 of 2000)
- Cross-Boundary Municipalities Laws Repeal and Related Matters Act, as amended (No. 8 of 2009)
- Council for the Built Environment Act (No. 43 of 2000)
- Engineering Profession Act (No. 46 of 2000)
- Architectural Profession Act (No. 44 of 2000)
- Quantity Surveying Profession Act (No. 49 of 2000)
- Project and Construction Management Professions Act (No. 48 of 2000)
- Occupational Injuries and Diseases Act (No. 130 of 1993)
- Deeds Registry Act (No. 47 of 1937)
- Expropriation Act (No. 63 of 1975)
- Environmental Act (No. 107 of 1998)
- Promotion of Administrative Justice Act (No. 53 of 2002)
- Promotion of Access to Information Act (No. 54 of 2006)
- Skills Development Qualification Act (No. 58 of 1995)
- KwaZulu-Natal Ingonyama Trust Amendment Act 1997 (No. 9 of 1997)
- KwaZulu-Natal Planning and Development Act 2008 (No. 6 of 2008)

2. Review of the 2014/15 financial year

Section 2 provides a review of 2014/15, outlining the main achievements and progress made by the department, as well as providing a brief discussion on challenges and new developments.

Delivery of building infrastructure and accommodation

Provincial Treasury facilitated the review of the KZN-Infrastructure Delivery Management System (IDMS) framework document, in accordance with DORA 2014 with the participation of DOPW, Department of Health (DOH) and Department of Education (DOE). These four departments agreed that the KZN-IDMS framework principles must remain unchanged.

The first version (September 2012) contained key indicators and timeframes that were predominately dependent on the restructuring of the four departments' infrastructure units in accordance with DPSA IDMS generic organisational structure, with the biggest restructuring affecting almost the whole structure

of DOPW. All of the implementation timeframes for implementing the KZN-IDMS were reviewed by each department. The Head of Provincial Treasury endorsed the revised KZN-IDMS framework document in accordance with DORA 2014 requirements. The KZN-IDMS Steering Committee continue to co-ordinate the implementation of the KZN-IDMS and report on the progress thereof.

Expanded Public Works Programme (EPWP)

A total of 5 485 work opportunities and 1 946 Full Time Equivalents (FTEs) were created between April and December 2014. EPWP encountered challenges in meeting the job target for women and people with disabilities. However, the department continues to recruit and select as per the EPWP phase 3 requirement, where 55 per cent women and two per cent of people with disabilities are targeted.

KZN Integrated Greening programme

The EPWP Integrated Grant for Provinces allocation is utilised to sustain beneficiaries of the KZN Integrated Greening programme, where 829 people were employed between April and December 2014, to participate in this programme. Women, youth and people with disabilities participated in this programme. The achievements of the programme are as follows:

- 239 571 trees were planted against a target of 212 000, thereby exceeding the target.
- 287 732 trees were propagated against a target of 212 000, thereby exceeding the target.
- 881 640 kilograms of waste were collected against a target of 1 000 000 kilograms. The project is still underway and the target of waste collection will be achieved at year-end.

National Youth Service Programme (NYSP)

The NYSP aims to provide technical skills to young people, while giving them an opportunity to serve their communities as part of nation building. The department had set a target of 80 learners to be trained on accredited modules. This target was exceeded, as 110 learners were recruited through Operation *Sukuma Sakhe* (OSS), although only 109 learners completed the training.

All recruited learners were trained on the Further Education and Training Certificate: Construction and Plumbing NQF Level 4, comprising 106 credits, and training was completed over a period of 5 months. Learners were placed in various districts to gain practical experience from projects, such as:

- 13 learners were placed at Ongoye Primary School within the uThungulu District Municipality.
- 14 learners in the Church of Scotland project within the Umzinyathi District Municipality.
- 14 learners were placed at the Stanger Hospital within the Ilembe District Municipality.
- 14 learners at Thethani School within the Harry Gwala District Municipality.

Fixed asset register

100 per cent migration of PREMIS data into the new Immovable Asset Management System: The first phase of installation of the new system, the Fixed Asset Management Tool, namely KZN Integrated Archibus System (KIAS), was finalised. The second phase is in progress, and it consists of migration, quality control processes, maintenance systems and other IT related programme developments and enhancements. The Fixed Asset Register Steering Committee (FARSC) was established to facilitate the development of the integrated system. FARSC ensures that the system is fully developed to address issues related to project management, financial reporting on infrastructure expenditure, infrastructure maintenance, facilities management, planning, financial disclosures and interface with other systems, such as BAS. The system will be implemented in 2015/16.

Finalisation of property valuations: The main purpose of this project is to ensure that all properties are valued and the value is disclosed in the DOPW AFS, which is one of the key elements in the disclosure note for assets. In terms of the plan, the valuation project was scheduled to be completed in the first quarter of 2014/15, however, in sourcing the valuers, an appeal was lodged, which delayed the project. The appeals process has not been finalised.

Consolidation of land parcels to facilitate infrastructure development: Phase 1 of this project was planned to commence in the fourth quarter and to be completed in 2015/16.

Finalisation of R293 properties: This project has progressed as follows:

- eThekweni, Emnambithi (Ladysmith) and Hibiscus Coast Municipalities – 90 per cent of properties have been transferred to beneficiaries.
- uMlalazi, uMhlathuze and Abaqulusi Municipalities transfers are still in progress.

Finalisation of surveying and sub-divisions of State Domestic Facilities (SDFs) on tribal land and farms: In terms of this project, the appointment of land surveyors was advertised. However, the process could not proceed due to technical specification challenges encountered during the advertising process, which needed to be addressed by a specialist in the field. A project manager (land surveyor) is therefore being appointed to manage the entire project.

Condition assessments

The finalisation of condition assessments of Community Health Centres was delayed as an appeal was lodged in respect of this project. This is now planned for 2015/16.

Izandla Ziyagezana programme

In 2014/15, the department successfully sustained 470 work opportunities through *Izandla Ziyagezana* beneficiaries from the previous financial year, and a further 59 new beneficiaries were appointed, thereby ensuring that the programme is sustainable and contributing positively to poverty alleviation.

Administration: Internal capacity building

Bursary programme: Bursaries were awarded for the 2014 academic year to applicants in professional disciplines such as civil, electrical and mechanical engineering. Female applicants from rural areas were prioritised. The department awarded internal bursaries to 23 students. The budget in respect of external bursaries was centralised under the Office of the Premier (OTP) in 2014/15.

Internship programme: In 2014/15, the department employed 59 interns in fields such as architecture, quantity surveying, as well as mechanical, civil and electrical engineering.

3. Outlook for the 2015/16 financial year

Section 3 looks at the key focus areas of 2015/16, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

The bulk of the department's budget allocation in Programme 2 is for property rates payments and the Government Immovable Asset Management Act (GIAMA) implementation projects. The budget against Programme 3 largely caters for various infrastructure project such as the head office project, Richmond Community Development, programme, NYSP and EPWP co-ordination function, as well as the improvement of infrastructure support.

Delivery of building infrastructure and accommodation

The implementation of the KZN-IDMS Framework will continue in 2015/16, and this process will continue to be led by Provincial Treasury. Milestones will be re-assessed and, if necessary, adjustments will be made by the KZN-IDMS Steering Committee.

Expanded Public Works Programme

EPWP is a nationwide programme which aims to provide unemployed people with work opportunities and training so that they increase their capacity to earn an income. The department has set a target of 6 000 work opportunities and 850 FTEs for 2015/16. The department has set a target of 100 beneficiary empowerment interventions through training in respect of this programme, in 2015/16.

KZN Integrated Greening programme

The department will continue with the KZN Integrated Greening programme in partnership with OTP, which focuses on greening activities through employment creation for unskilled people. The department is co-ordinating the programme in the province, and will effectively utilise the EPWP Integrated Grant for Provinces allocation for 2015/16 to implement the KZN Integrated Greening programme.

The programme aims to develop and implement a comprehensive plan that will support a wide range of community based greening activities, including:

- Treepreneurs – growing and planting indigenous and edible plants.
- Wastepreneurs – collecting recyclable waste.
- Greenpreneurs – trading bicycles, water tanks, solar energy devices.
- Reforestation projects – restoring community forest assets.

EPWP provincial co-ordination and monitoring

The function of the EPWP provincial co-ordination is moved from the Department of Transport (DOT), and will be taken over by DOPW from 2015/16 onward. The budget moved was inadequate to sustain this function, hence reprioritisation had to be undertaken within the DOPW baseline to cater for the shortfall. The main objectives of the co-ordination function are:

- To ensure that the provincial co-ordination and support function is extended to departments and municipalities in KZN in order to achieve the provincial EPWP work opportunities targets, therefore the department has set a target of 50 public bodies reporting on EPWP within the province.
- To provide support to public bodies to ensure that their set EPWP targets are attained. This measures the number of interventions implemented to support public bodies in the creation of the targeted number of work opportunities in KZN. The department has set a target of 30 interventions provided to participating public bodies.

Fixed asset register

100 per cent migration of PREMIS data into the Immovable Asset Management System: KIAS will be fully implemented by April 2015 and the system will be fully developed to address issues related to project management, financial reporting on infrastructure expenditure, infrastructure maintenance, facilities management, planning, financial disclosures and interface with other systems, like BAS.

Finalisation of property valuations: The main purpose of this project is to ensure that all properties are valued and the values disclosed in the AFS. The department intends to value 3 500 properties in 2015/16.

Consolidation of land parcels to facilitate infrastructure development: This project aims to address the challenges facing infrastructure development in the province where a facility shares (or is built on) more than one land parcel. This involves accessing a large number of title deeds in order to have building plans approved, which is mandatory in terms of the KZN Planning and Development Act, 2008. Based on this background, it is critical that all facilities built on more than one land parcel be prioritised, and such land parcels be consolidated. The first phase will be completed on 30 April 2015, and phase 2 will commence and will be finalised in February 2016.

Finalisation of R293 properties: The following municipalities have been identified for transfer of R293 properties to the Provincial Government of KwaZulu-Natal: Abaqulusi, uPhongolo, uMlalazi and uMhlathuze Municipalities. The department will also finalise all outstanding transfers in respect of eThekweni, Mandeni, Emnambithi and Hibiscus Coast Municipalities.

Finalisation of surveying and sub-divisions of SDFs on tribal land and farms: SDFs include schools, clinics, offices and hospitals built on tribal land or on farms not owned by government. This project was considered critical to the finalisation of the vesting of state owned immovable assets in terms of Item 28(1) of Schedule 6 of the Constitution of the Republic of South Africa. The SDFs were built on farms registered in the name of the Department of Rural Development and Land Reform (DRDLR) and also on tribal land, primarily on land that is governed by the Ingonyama Trust Board (ITB). Section 4 of the KZN Ingonyama Trust Act, 1997 mandates that these SDFs vest in the name of the provincial government. Therefore it is critical that they be surveyed and sub-divided, where necessary, before they are subjected to the vesting process for final registration in the name of the Province of KwaZulu-Natal. The project for the finalisation of surveys and sub-divisions was advertised, but there were delays due to technical specification challenges encountered during the advertisement process, which needed to be addressed by a specialist (land surveyor) in the field. It is anticipated that the project will be implemented in 2015/16.

Condition assessments

Condition assessments of hospitals will be undertaken in 2015/16 and maintenance plans will be developed for these facilities. This will ensure that state facilities are maintained at an optimal level to support the services delivered by them. This will be done in consultation with DOH, as it will ensure that user-specific requirements are addressed and that the project yields beneficial results to the user department. The department will also finalise the condition assessments of the Department of Social Development (DSD) offices.

Izandla Ziyagezana programme

In 2015/16, the department will ensure that the *Izandla Ziyagezana* programme yields sustainable jobs, which will contribute meaningfully to poverty alleviation.

Administration: Internal capacity building

Bursary programme: Bursaries will be awarded for the 2015 academic year to applicants in professional disciplines – i.e. civil, electrical and mechanical engineering. Female applicants from rural areas will be prioritised. The department will award internal bursaries to 55 students.

Internship programme: In 2015/16, the department will employ 50 interns in different fields including the professional disciplines, construction project management, quantity surveying, architecture and property management.

4. Receipts and financing

4.1 Summary of receipts

Table 14.1 indicates the sources of funding for Vote 14 for the period 2011/12 to 2017/18. The table also compares actual and budgeted receipts against actual and budgeted payments. Note that the Devolution of Property Rate Funds grant was phased into the equitable share from 2013/14 onward.

Table 14.1 : Summary of receipts and financing

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Equitable share | 705 129 | 758 563 | 1 257 040 | 1 313 705 | 1 313 705 | 1 313 705 | 1 376 193 | 1 449 782 | 1 526 583 |
| Conditional grants | 465 546 | 552 608 | 3 000 | 3 168 | 3 168 | 3 168 | 3 057 | - | - |
| Devolution of Property Rate Funds grant | 463 585 | 551 100 | - | - | - | - | - | - | - |
| EPWP Integrated Grant for Provinces | 1 961 | 1 508 | 3 000 | 3 168 | 3 168 | 3 168 | 3 057 | - | - |
| Total receipts | 1 170 675 | 1 311 171 | 1 260 040 | 1 316 873 | 1 316 873 | 1 316 873 | 1 379 250 | 1 449 782 | 1 526 583 |
| Total payments | 1 182 268 | 1 133 311 | 1 270 253 | 1 369 361 | 1 391 763 | 1 392 088 | 1 389 666 | 1 449 782 | 1 526 583 |
| Surplus/(Deficit) before financing | (11 593) | 177 860 | (10 213) | (52 488) | (74 890) | (75 215) | (10 416) | - | - |
| Financing | | | | | | | | | |
| of which | | | | | | | | | |
| Provincial roll-overs | 42 295 | 14 185 | 28 168 | - | 20 268 | 20 268 | - | - | - |
| Provincial cash resources | - | 27 032 | 25 523 | 52 488 | 54 622 | 54 622 | 10 416 | - | - |
| Surplus/(Deficit) after financing | 30 702 | 219 077 | 43 478 | - | - | (325) | - | - | - |

The aim of the Devolution of Property Rate Funds grant was to provide for the payment of property rates in the province. As mentioned, from 2013/14, this grant was phased into the equitable share, thus the table shows no grant allocation thereafter. However, the provincial allocation shows a substantial increase.

The department was allocated the EPWP Integrated Grant for Provinces from 2011/12 to 2015/16. The department receives an amount of R3.057 million against this grant in 2015/16, and no allocation for the two outer years of the MTEF, at this stage.

In 2011/12:

- R42.295 million was rolled over from 2010/11 to 2011/12 related to property rates commitments from the previous year. In 2011/12, the department under-spent by R30.702 million, emanating from R16.517 million in respect of the Devolution of Property Rate Funds grant due to unpaid municipal rates and R14.185 million for infrastructure commitments, for which a roll-over was approved.

In 2012/13:

- R14.185 million was rolled over to 2012/13 relating to the infrastructure commitments from the previous year. The department received R27.032 million additional funding, and this included R25 million relating to the purchase and development of a Fixed Asset Management Tool and R2.032 million for the EPWP Integrated Grant for Provinces.
- The department under-spent by R219.077 million in 2012/13, which included an amount of R120.489 million that was identified as an over-provision in the Devolution of Property Rate Funds grant, and was surrendered to National Treasury. There was under-spending of R22.090 million mainly related to slow progress with regard to the DOPW head office project, due to sub-division issues to be finalised with the local municipality. The tenders were awarded later than anticipated, resulting in delays in the commencement of the GIAMA and the Fixed Asset Management Tool projects.

In 2013/14:

- R28.168 million was rolled over from 2012/13 to 2013/14 in respect of commitments related to property rates.
- The department received R25.523 million provincial cash resources for the Richmond Community Development programme (R24.523 million) and OSS (R1 million).
- The department under-spent by R43.478 million, due to delays in the awarding of the GIAMA tender, where an appeal lodged in respect of the condition assessment to be undertaken was delayed, as well as the late commencement of the Richmond Community Development programme (R20.750 million), as the selection and recruitment of beneficiaries took longer than anticipated.

In 2014/15:

- A roll-over of R20.268 million was received from 2013/14 for the Richmond Community Development programme.
- The department received R54.622 million provincial cash resources as follows:
 - A suspension of funds amounting to R25 million was received from 2012/13 for the Fixed Asset Management Tool.
 - Once-off additional amounts for the Richmond Community Development programme, and the NYSP of R20 million and R7.500 million, respectively, were received.
 - Carry-through costs of R3.265 million for previous wage agreements.
 - The department's allocation was reduced by R3.277 million, in respect of the centralisation of parts of the communications budget and the external bursaries budget under OTP.
 - R1.093 million was allocated to the department for work required on the Ulundi Royal Household palace, former Legislature Assembly (LA) Complex, Ministerial houses and temporary residential units for the Royal Household.
 - R1.041 million was received for refurbishment work required at Nyokeni Palace, which needed to be completed for the Reed Dance ceremony.
- The Revised Estimate reflects over-spending of R325 000 due to higher than anticipated payments of property rates, as well as unanticipated increase in property payments for municipal services.

In the 2015/16 MTEF, the department's allocation increases as a result of the shift of the EPWP provincial co-ordination function from DOT, and decentralisation of the external bursaries from OTP to the department. It should be noted that the bulk of funding for the EPWP co-ordination function is reprioritised within the department's baseline. The department receives a suspension of funds from 2013/14 of R10.416 million which includes an amount of R9.934 million for GIAMA related projects and the balance for the Richmond Community Development programme.

4.2 Departmental receipts collection

Table 14.2 reflects the estimated departmental receipts for Vote 14. The department is a service provider to other provincial departments, and it is therefore not a major revenue generating entity. The main sources of revenue are of a domestic nature and include housing rent, parking, etc. Details are provided in the *Annexure – Vote 14: Public Works*.

Table 14.2 : Summary of departmental receipts collection

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 4 717 | 6 122 | 5 794 | 6 461 | 6 461 | 6 461 | 7 067 | 7 521 | 8 085 |
| Transfers received | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | 198 | 220 | 159 | 164 | 164 | 164 | 180 | 191 | 209 |
| Sale of capital assets | - | 15 908 | 10 875 | 755 | 755 | 8 543 | 220 | 240 | 264 |
| Transactions in financial assets and liabilities | 1 201 | 1 392 | 1 430 | 872 | 872 | 1 472 | 959 | 1 015 | 1 106 |
| Total | 6 116 | 23 642 | 18 258 | 8 252 | 8 252 | 16 640 | 8 426 | 8 967 | 9 664 |

Sale of goods and services other than capital assets comprises housing rent recoveries, parking and state property rentals. The increase between 2011/12 and 2012/13 was due to the collection of arrear rentals resulting from the regularisation of a number of cases relating to illegal occupants, where no payments were previously made, hence the slight decrease in 2013/14. The department estimates to fully collect against the 2014/15 budget. This category shows steady growth over the 2015/16 MTEF.

The revenue collection against *Interest, dividends and rent on land* relates to interest earned on staff debts. The inconsistent trend between 2011/12 and 2013/14 is as a result of unanticipated debt recovery, which impacts on the collection of interest. The department anticipates to fully collect the amount budgeted in 2014/15. Over the MTEF, revenue collection gradually increases, reflecting the department's effort to collect amounts owing by staff.

Sale of capital assets relates to the sale of redundant motor vehicles, as well as the sale of land and buildings. In 2012/13, the department made a disposal of fixed structures to national DOPW. The substantial revenue collection made in 2013/14 was in respect of the disposal of land by way of a public bid. The 2014/15 Revised Estimate reflects an amount of R8.543 million which is mainly due to the sale of land and buildings that are no longer required by the provincial government. The department is projecting to collect at a much lower level over the MTEF, due to the uncertainty in disposing of fixed structures.

Transactions in financial assets and liabilities relates to a concerted effort by the department to recover outstanding staff debts from prior years, as well as recoveries from previous years' expenditure. The department estimates to collect and remain within the allocation in 2014/15. This category shows a steadily increasing trend over the MTEF, as the department continues to focus on debt recovery.

4.3 Donor funding – Nil

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in the *Annexure – Vote 14: Public Works*.

5.1 Key assumptions

The following key assumptions have been used to determine the budget:

- National Treasury imposed fiscal consolidation cuts on the equitable share and conditional grant allocations of provinces for 2015/16 and 2016/17. In KZN, the bulk of the equitable share cut is absorbed by reducing the Contingency Reserve, stopping of the Strategic Cabinet Initiatives Fund, etc. As part of the fiscal consolidation, National Treasury has not provided any funding for the carry-through costs of the 2014 wage agreement, and the department therefore had to fund these by internal reprioritisation and lowering growth of non-essential item budgets.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2014/15, will continue to be adhered to over the 2015/16 MTEF, in conjunction with National Treasury Instruction 01 of 2013/14: Cost-containment measures. The provincial cost-cutting measures have been updated to include those that were adopted by the Committee of HODs (COHOD) in December 2014, and an updated circular reissued to departments and public entities.
- Provision was made for an inflationary wage adjustment of 5.6, 5.5 and 5 per cent for each of the three years of the 2015/16 MTEF, respectively. The department also provided for the 1.5 per cent pay progression.
- Provision has been made for the filling of vacant posts, while taking into account the moratorium on the filling of non-critical vacant posts.
- The capital budget is based on the department's infrastructure plan.

5.2 Additional allocations for the 2013/14 to 2015/16 MTEF

Table 14.3 shows additional funding received by the department over the three MTEF periods: 2013/14, 2014/15 and 2015/16. Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants. The purpose of such a table is two-fold. Firstly, it shows the quantum of additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated.

The carry-through allocations for the 2013/14, 2014/15 and 2015/16 MTEF periods (i.e. for the financial year 2017/18) are based on the incremental percentage used in the 2015/16 MTEF.

Table 14.3 : Summary of additional provincial allocations for the 2013/14 to 2015/16 MTEF

| R thousand | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|--|----------------|----------------|----------------|------------------|----------------|
| 2013/14 MTEF period | 454 184 | 469 375 | 486 887 | 509 284 | 534 748 |
| Census data update and 1%, 2% and 3% baseline cuts | (10 867) | (22 202) | (27 541) | (28 808) | (30 248) |
| Phasing in of Devolution of Property Rate Funds grant into Equitable Share | 465 051 | 491 577 | 514 428 | 538 092 | 564 996 |
| 2014/15 MTEF period | | 52 488 | 2 976 | 603 804 | 3 994 |
| Government office precinct project | | - | - | 600 000 | - |
| National Youth Service programme | | 7 500 | - | - | - |
| Richmond Community Development programme | | 20 000 | - | - | - |
| Roll-over from 12/13 to 14/15 - Fixed Asset Mgt Tool | | 25 000 | - | - | - |
| Carry-through of previous wage agreements | | 3 265 | 6 305 | 7 286 | 7 650 |
| Centralisation of communications budget under OTP | | (940) | (990) | (1 035) | (1 087) |
| Centralisation of external bursaries budgets under OTP | | (2 337) | (2 339) | (2 447) | (2 569) |
| 2015/16 MTEF period | | | 13 816 | (596 439) | 3 738 |
| Removal of government office precinct allocation | | | - | (600 000) | - |
| EPWP co-ordination moved from DOT | | | 1 061 | 1 114 | 1 169 |
| Roll-over of GIAMA funds from 13/14 | | | 9 934 | - | - |
| Roll-over of Richmond Community Development prog funds from 13/14 | | | 482 | - | - |
| Decentralisation of bursaries budget | | | 2 339 | 2 447 | 2 569 |
| Total | 454 184 | 521 863 | 503 679 | 516 649 | 542 480 |

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

The Devolution of Property Rate Funds grant was phased into the equitable share from 2013/14 onward. In 2012/13, the department indicated to the national DOPW that there was an over-provision in the grant

and the funding for property rates was therefore reduced and adjusted accordingly. As a result, the reduced amount was phased into the equitable share.

In the 2014/15 MTEF, the department was allocated once-off additional funding for the NYSP and the Richmond Community Development programme. Also included was a suspension of funds from 2012/13 to 2014/15 in respect of the Fixed Asset Management Tool. The department received the carry-through costs of previous wage agreements. This was mitigated by a reduction in the department's allocation relating to the centralisation of parts of the communications budget and the external bursaries budget under OTP.

The department receives additional funding in the 2015/16 MTEF for the following:

- Funding (with carry-through) in respect of the EPWP co-ordination function shift from DOT, but this was insufficient and the department has to find the balance of R10 million, R12 million and R15 million, over the 2015/16 MTEF, within its baseline.
- A roll-over from 2013/14 to 2015/16 in respect of GIAMA and the Richmond Community Development programme.
- Decentralisation of external bursaries budget to the department from OTP.

An amount of R600 million for the government office precinct project, which was expected to commence in 2016/17, was removed from the department's baseline, as this project has been put on hold due to the fiscal consolidation cuts facing the province.

Note that additional funding was allocated in the 2012/13 MTEF for improving infrastructure support. Although no longer visible in Table 14.3, this funding was specifically and exclusively appropriated and the department has not yet completed the implementation of its revised infrastructure staffing structure that this funding was intended for. Thus amounts of R20.758 million, R21.713 million and R22.799 million remain ring-fenced for this purpose over the three years of the 2015/16 MTEF.

5.3 Summary by programme and economic classification

Tables 14.4 and 14.5 below provide a summary of the vote's expenditure and budgeted estimates over the MTEF period by programme and economic classification, respectively.

The department's budget is divided into three programmes, namely Administration, Property Management and Provision of Buildings, Structures and Equipment. The department's structure is currently not in line with the uniform budget and programme structure for the Public Works sector, and this is under review. All programmes are different from the uniform structure except Programme 1 which largely conforms with the programme structure.

The department's baseline has increased significantly, from R1.182 billion in 2011/12 to R1.527 billion in 2017/18. The payment of property rates in 2011/12 was high due to commitments from the previous year. In addition, an over-provision was identified in respect of property rates funding, and this was reduced accordingly. This explains the decrease in 2012/13. Also contributing to the decrease in 2012/13 were delays in the GIAMA project tender processes for the acquisition of service providers with the appropriate capacity to undertake conditional assessments of government properties. There were also delays in the procurement and development of the Fixed Asset Management Tool for Property Management which was put on hold by national DOPW, at the time resulting in these funds not being spent.

Table 14.4 : Summary of payments and estimates by programme: Public Works

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 273 601 | 285 966 | 323 641 | 332 381 | 331 849 | 330 300 | 350 737 | 372 776 | 394 683 |
| 2. Property Management | 580 466 | 474 335 | 540 416 | 615 691 | 615 691 | 616 858 | 630 089 | 653 481 | 688 593 |
| 3. Provision of Buildings, Structures and Equipment | 328 201 | 373 010 | 406 196 | 421 289 | 444 223 | 444 930 | 408 840 | 423 525 | 443 307 |
| Total | 1 182 268 | 1 133 311 | 1 270 253 | 1 369 361 | 1 391 763 | 1 392 088 | 1 389 666 | 1 449 782 | 1 526 583 |

Table 14.5 : Summary of payments and estimates by economic classification: Public Works

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 598 521 | 625 609 | 679 124 | 776 511 | 775 899 | 763 079 | 785 205 | 821 021 | 869 206 |
| Compensation of employees | 398 023 | 438 487 | 489 093 | 520 148 | 517 253 | 513 244 | 556 968 | 596 859 | 634 922 |
| Goods and services | 200 498 | 186 891 | 190 019 | 256 363 | 258 645 | 249 834 | 228 237 | 224 162 | 234 284 |
| Interest and rent on land | - | 231 | 12 | - | 1 | 1 | - | - | - |
| Transfers and subsidies to: | 499 986 | 405 705 | 476 375 | 488 109 | 492 613 | 510 678 | 512 556 | 539 820 | 567 744 |
| Provinces and municipalities | 492 936 | 396 112 | 467 068 | 485 110 | 485 142 | 499 719 | 507 255 | 534 129 | 562 069 |
| Departmental agencies and accounts | 375 | 395 | 423 | 588 | 588 | 559 | 581 | 606 | 585 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | 409 | - | 827 | 874 | 100 | 106 | 111 |
| Households | 6 675 | 9 198 | 8 475 | 2 411 | 6 056 | 9 526 | 4 620 | 4 979 | 4 979 |
| Payments for capital assets | 73 381 | 101 887 | 114 754 | 104 741 | 123 251 | 118 331 | 91 905 | 88 941 | 89 633 |
| Buildings and other fixed structures | 42 669 | 76 886 | 74 773 | 78 934 | 98 548 | 94 461 | 71 373 | 66 318 | 66 225 |
| Machinery and equipment | 29 781 | 21 108 | 34 747 | 21 807 | 20 703 | 19 409 | 16 199 | 18 227 | 18 779 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 931 | 3 893 | 5 234 | 4 000 | 4 000 | 4 461 | 4 333 | 4 396 | 4 629 |
| Payments for financial assets | 10 380 | 110 | - | - | - | - | - | - | - |
| Total | 1 182 268 | 1 133 311 | 1 270 253 | 1 369 361 | 1 391 763 | 1 392 088 | 1 389 666 | 1 449 782 | 1 526 583 |

The increase in the 2014/15 Adjusted Appropriation is attributed to a roll-over granted for commitments related to the Richmond Community Development programme. Furthermore, the department received once-off additional allocations for work required on the Ulundi Royal Household palace, LA Complex, Ministerial houses and temporary residential units for the Royal Household, as well as for refurbishment work at Nyokeni Palace that was required to be done before the Reed Dance ceremony. This explains the decrease in 2015/16.

Programme 1: Administration reflects a significant increase in 2013/14 largely due to unanticipated costs relating to the Special Investigation Unit (SIU). Also contributing were increased costs for SITA data lines and information services, as well as higher than anticipated costs of replacing a number of computers and the costs of Microsoft software licences. The slight decrease in the 2014/15 Adjusted Appropriation relates to savings realised on the purchasing of vehicles which were moved to defray spending pressures ascribed to higher than anticipated property payments for water, electricity and security services costs in other programmes. This also accounts for the growth in 2015/16. The budget over the 2015/16 MTEF includes additional funding in respect of the decentralisation of external bursaries from OTP.

Programme 2: Property Management shows high spending in 2011/12, largely ascribed to a roll-over related to property rates commitments from the previous year, thus explaining the significant decrease in 2012/13. Furthermore, in 2012/13, the department identified an over-provision against property rates funds and this resulted in the funding being reduced accordingly. The increase in 2013/14 was attributed to a roll-over related to property rates commitments from the previous year. Also contributing was the re-evaluation of the upgraded King George V Hospital situated in the eThekweni Metro which was finalised toward the end of 2012/13, and the unanticipated arrear payment for property rates relating to this facility was effected in 2013/14, as well as the higher than budgeted wage agreement costs. In the 2015/16 MTEF, funds were reprioritised to cater for critical vacant posts such as administrative clerks, the bulk being in the North Coast region. The programme shows inflationary growth over the 2015/16 MTEF. The budget in 2015/16 includes a suspension of funds from 2013/14 in respect of GIAMA projects.

Programme 3: Provision of Buildings, Structures and Equipment increases significantly in 2012/13 due to capital infrastructure payments relating to the head office project. The increase in 2013/14 is attributed to the replacement of computers at head office and new computers for regional offices. The increase in 2014/15 was driven by once-off additional funding for the NYSP and Richmond Community Development programme. The further peak in the 2014/15 Adjusted Appropriation relates to a roll-over received from 2013/14 in respect of the Richmond Community Development programme, and once-off additional funding for work required on the Ulundi Royal Household palace, as well as for refurbishment

work at Nyokeni Palace, as explained previously. This explains the decrease in 2015/16. As mentioned, in the 2015/16 MTEF, the department receives some funding for the EPWP co-ordination function which was moved from DOT. The balance required for this function was reprioritised from other areas within the budget. This category grows steadily in the two outer years of the MTEF.

The spending trend against *Compensation of employees* from 2011/12 to 2012/13 was due to the carry-through costs of higher than anticipated wage agreements, OSD for professionals (such as architects and artisans), as well as provision made for improving infrastructure support. The increase in 2013/14 is attributed to carry-through costs of higher than anticipated wage agreements, as well as outstanding performance bonuses for 2012/13 and the SMS pay progression from 2011/12. Also contributing was the re-grading of posts on salary levels 4, 9 and 11 to 5, 10 and 12, respectively. Savings due to delays in the filling of vacant posts were moved to address spending pressures against *Goods and services* for consultants employed in the capacity of project managers in the Ulundi region, and to provide for higher than anticipated costs on items such as property payments in respect of water and electricity and security services costs. The significant growth over the 2015/16 MTEF can be ascribed to reprioritisation of funds undertaken which was guided by a need to fill critical vacant posts, including new posts relating to the EPWP co-ordination function which was moved from DOT.

The fluctuating spending trend against *Goods and services* can be associated with delays relating to GIAMA projects and the procurement and development of the Fixed Asset Management Tool, under Programme 2. This largely contributed to the significant reduction in 2012/13. The minimal increase in 2013/14 was attributed to payments made in respect of the implementation of the Fixed Asset Management Tool. The increase in the 2014/15 Adjusted Appropriation was driven by a roll-over for the Richmond Community Development programme and additional funding for renovations (repairs and maintenance) required for His Majesty's Ulundi Royal Household Palace, the LA Complex, Ministerial houses and temporary residential units for a Royal Household event. There is an inconsistent trend over the 2015/16 MTEF against this category due to a roll-over from 2013/14 to 2015/16 in respect of GIAMA. In the 2015/16 MTEF, reprioritisation was undertaken to fund the EPWP co-ordination function, as well as for vehicle tracker devices. For the former, some additional funding was received, as this programme was moved from DOT, as mentioned previously.

The spending in 2012/13, 2013/14 and the 2014/15 Adjusted Appropriation against *Interest and rent on land* relates to interest on finance leases, as well as interest paid on overdue water and electricity accounts.

The high spending in 2011/12 against *Transfers and subsidies to: Provinces and municipalities* is attributed to commitments relating to previous years in respect of the payment of property rates. This explains the significant decrease in 2012/13. Also contributing to the decrease in 2012/13 was over-provision identified against property rates funding, which resulted in this funding being reduced accordingly. The increase in 2013/14 is largely ascribed to a roll-over from National Treasury for commitments relating to the previous year for the payment of property rates, as well as the unanticipated arrear payment for property rates relating to the King George V Hospital which was only effected in 2013/14, as explained previously. The minimal increase in the 2014/15 Adjusted Appropriation was due to higher than anticipated motor vehicle licence fees. The 2015/16 MTEF grows steadily, which is mainly to cater for property rates.

The erratic trend against *Transfers and subsidies to: Departmental agencies and accounts* over the entire period is driven by workmen's compensation payment, which is based on claims received. The spending from 2011/12 to 2014/15 was largely for payments relating to the skills development levy to the Public Sector Education and Training Authority (PSETA) where the department was required to set aside 30 per cent of 1 per cent of the *Compensation of employees* budget for training, and pay over to the PSETA in terms of the Skills Development Act. However, in line with National Treasury Circular of 10 July 2014, national departments applied for the creation of a single transfer to PSETA through DPSA. The result of this is that departments do not have to transfer funds to PSETA from 2015/16 onward, unless such transfers are meant for a different purpose, hence there is no budget in this regard over the MTEF. There is a minimal decline in growth in the outer year due to the reprioritisation exercise undertaken to cater for other economic categories.

Expenditure against *Transfers and subsidies to: Non-profit institutions* in 2013/14 and 2014/15 relates to donations made in respect of OSS. Provision has been made for donations over the 2015/16 MTEF.

Transfers and subsidies to: Households caters for external bursaries and staff exit costs. The inconsistent trend against this category is due to the unpredictable nature of staff exit costs. The decrease in the 2014/15 Main Appropriation was in line with the centralisation of the external bursaries budget under OTP. The significant increase in the 2014/15 Adjusted Appropriation is attributed to higher than anticipated staff exit costs, which also explains the decrease over the 2015/16 MTEF. However, funding in respect of external bursaries is decentralised to the department from OTP, over the 2015/16 MTEF. Due to the fact that it is difficult to budget for staff exit costs, the budget remains constant in the two outer years of the MTEF.

Buildings and other fixed structures fluctuates over the seven years, as it is based on actual capital infrastructure requirements, including new and carry-through costs on certain projects. The substantial increase in 2012/13 was driven by the commencement of the head office project. The further significant increase in the 2014/15 Adjusted Appropriation was attributed to once-off additional funding in respect of the Richmond Development Community programme for ablution facilities, as well as for refurbishment work at Nyokeni Palace where funding was required for work needed to be completed before the Reed Dance ceremony which took place in September 2014. The baseline for 2015/16 is slightly higher than the two outer years of the MTEF due to reprioritisation undertaken from the infrastructure budget to fund the EPWP co-ordination function, which was moved from DOT, as explained previously.

In respect of *Machinery and equipment*, the high spending in 2011/12 was due to upgrading the department's IT infrastructure and networks for new offices, as well as for the replacement of vehicles. This explains the decrease in 2012/13. The increase in 2013/14 relates to higher than anticipated costs of replacing computers within the department. This explains the decrease in 2014/15. The decrease over the 2015/16 MTEF can be ascribed to the reprioritisation of funds to cater for the critical vacant posts, as well as for costs of installing tracker devices on department's vehicles.

Spending against *Software and other intangible assets* increased from 2012/13 onward emanating from the renewal of Cognos user licences. These significant increases were based on the agreement entered into by the department with Microsoft, which required a three-year commitment and annual billing. However, the high spending in 2013/14 was largely attributed to the purchase of Microsoft software licences, following upgrade and replacement of IT infrastructure for the department. The allocation grows steadily over the 2015/16 MTEF. The budget in 2015/16 also includes provision for Computer Aided Designs, which aids architects relating to infrastructure.

The department wrote off various losses of R10.380 million and R110 000 against *Payments for financial assets* in 2011/12 and 2012/13, respectively.

5.4 Summary of conditional grant payments and estimates

Tables 14.6 and 14.7 below relate to the summary of conditional grants receipts and payments.

Note that the historical figures set out in Table 14.6 below reflect actual expenditure per grant, and should not be compared to those reflected in Table 14.1, which represent the actual receipts for each grant.

Further details are provided in the *Annexure – Vote 14: Public Works*.

Table 14.6 : Summary of conditional grants payments and estimates by name

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|--------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Devolution of Property Rate Funds grant | 489 480 | 402 443 | - | - | - | - | - | - | - |
| EPWP Integrated Grant for Provinces | 4 683 | 5 292 | 3 000 | 3 168 | 3 168 | 3 168 | 3 057 | - | - |
| Total | 494 163 | 407 735 | 3 000 | 3 168 | 3 168 | 3 168 | 3 057 | - | - |

Table 14.7 : Summary of conditional grants payments and estimates by economic classification

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|--------------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 4 683 | 5 292 | 3 000 | 3 168 | 3 168 | 3 168 | 3 057 | - | - |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Goods and services | 4 683 | 5 292 | 3 000 | 3 168 | 3 168 | 3 168 | 3 057 | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 489 480 | 402 443 | - | - | - | - | - | - | - |
| Provinces and municipalities | 489 480 | 402 443 | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 494 163 | 407 735 | 3 000 | 3 168 | 3 168 | 3 168 | 3 057 | - | - |

The high spending in 2011/12 emanated from the payments of property rates, for commitments relating to the previous year. In addition, the department identified an over-provision in respect of the Devolution of Property Rate Funds grant and, as a result, funds were reduced accordingly, from 2012/13 onward. The funding for the grant was incorporated into the equitable share from 2013/14, hence there is no allocation from 2013/14 onward.

The department received funding for the EPWP Integrated Grant for Provinces from 2011/12 onward. The increase in 2012/13 was due to a roll-over of R2.032 million under *Goods and services*. An allocation of R3.168 million was received in 2014/15 which is projected to be fully spent by year-end. The department receives funding of R3.057 million in 2015/16, with no allocation in the outer years, at this stage.

5.5 Summary of infrastructure payments and estimates

Table 14.8 below presents a summary of infrastructure payments and estimates by category for the vote. Detailed information on infrastructure is given in the *Annexure – Vote 14: Public Works*.

Table 14.8 : Summary of infrastructure payments and estimates by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Existing infrastructure assets | 31 987 | 74 612 | 79 849 | 71 612 | 74 714 | 82 616 | 53 980 | 58 474 | 62 468 |
| Maintenance and repair: Current | 8 924 | 11 113 | 9 370 | 8 100 | 10 558 | 11 047 | 6 000 | 6 300 | 4 400 |
| Upgrades and additions: Capital | 11 691 | 52 057 | 51 467 | 52 930 | 52 533 | 53 506 | 31 937 | 35 623 | 42 856 |
| Refurbishment and rehabilitation: Capital | 11 372 | 11 442 | 19 012 | 10 582 | 11 623 | 18 063 | 16 043 | 16 551 | 15 212 |
| New infrastructure assets: Capital | 19 606 | 13 387 | 4 294 | 15 422 | 34 392 | 22 892 | 23 393 | 14 144 | 8 157 |
| Infrastructure transfers | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Current | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Capital | - | - | - | - | - | - | - | - | - |
| Infrastructure: Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure: Leases | - | - | - | - | - | - | - | - | - |
| Total | 51 593 | 87 999 | 84 143 | 87 034 | 109 106 | 105 508 | 77 373 | 72 618 | 70 625 |
| <i>Capital infrastructure</i> | <i>42 669</i> | <i>76 886</i> | <i>74 773</i> | <i>78 934</i> | <i>98 548</i> | <i>94 461</i> | <i>71 373</i> | <i>66 318</i> | <i>66 225</i> |
| <i>Current infrastructure</i> | <i>8 924</i> | <i>11 113</i> | <i>9 370</i> | <i>8 100</i> | <i>10 558</i> | <i>11 047</i> | <i>6 000</i> | <i>6 300</i> | <i>4 400</i> |

Overall, there is a fluctuating trend against infrastructure projects, driven by the commencement and completion of infrastructure projects. The significant increase in 2012/13 is ascribed to the commencement of the head office project. A number of major projects, some of which are multi-year will continue over the 2015/16 MTEF, including the continuation and commencement of phase 3 of the head office project and the construction of the Southern region new canteen.

Spending increased significantly against *Maintenance and repair: Current* in 2012/13 as a result of higher than anticipated costs of maintenance of the department's fixed assets, unanticipated repairs to the MEC's office in Mayville due to flood damage, air conditioner maintenance in the eThekweni regional office, as well as the Midlands region. The increase in the 2014/15 Adjusted Appropriation was to address once-off spending pressures relating to maintenance and repair costs for the eThekweni region. This explains the reduction in budget in 2015/16. The budget over the 2015/16 MTEF decreases following reprioritisation undertaken by the department to cater for projects, such as the Uthukela and Ilembe district offices, Southern region new office and new canteen which fall under *New infrastructure assets: Capital*.

Upgrades and additions: Capital fluctuates over the seven-year period, as it is based on new and carry-through costs on certain projects. The substantial increase in 2012/13 was attributed particularly to the head office and CIDB satellite office in uMgungundlovu. The baseline allocation over the 2015/16 MTEF decreases significantly due to reprioritisation undertaken by the department to fund *New infrastructure assets: Capital*, as well as to cater for projects under *Refurbishment and rehabilitation: Capital* in respect of continuation costs for various projects, pertaining to the LA Complex in Ulundi. Some funds were reprioritised to fund the EPWP co-ordination function which was moved from DOT, as mentioned.

The significant increase in 2013/14 against *Refurbishment and rehabilitation: Capital* relates to the administrative wing of the former LA Complex in Ulundi, comprising landscaping, air-conditioning and electrical maintenance, as well as projects relating to the Umzinyathi, Amajuba district offices and the Esplanade Building in Durban. The 2014/15 Main Appropriation decreases significantly because some of these projects, including the Esplanade Building, were completed in 2013/14. The increase in 2015/16 and 2016/17 is due to reprioritisation of funds from other categories as a result of continuation costs of various projects relating to the LA building and the Umzinyathi and Amajuba district offices. Some of these projects are expected to be completed in 2016/17, hence the decrease in 2017/18.

The high spending against *New infrastructure assets: Capital* in 2011/12 was mainly driven by the completion of construction of new district offices in Mtubatuba, Mkhuze and Ixopo. The significant decrease in 2013/14 was attributed to slow progress in respect of the head office project as a result of consultant delays, cancellation of contracts, trade union strikes and inclement weather, as well as contractor delays with regards to the Southern region (uMgungundlovu) new administrative wing project. The significant increase in the 2014/15 Adjusted Appropriation is attributed to funding allocated to the Richmond Community Development programme for ablution facilities in the Richmond area, which was incorrectly classified against *Goods and services* instead of this category. The decreasing trend over the 2015/16 MTEF is based on the completion of projects. The 2015/16 allocation is high due to reprioritisation undertaken from *Maintenance and repair: Current*, and *Upgrades and additions: Capital* to fund the Uthukela and Ilembe offices, as well as the new canteen in the Southern region. Also catered for in the 2015/16 MTEF is the continuation of the head office project.

5.6 Public Private Partnerships (PPPs) – Nil

5.7 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

5.8 Transfers to other entities – Nil

5.9 Transfers to local government

Tables 14.9 and 14.10 indicate transfers to local government per category and per type, respectively. The transfers are in respect of the payment of property rates to municipalities.

Further details of these transfers per category are presented in *Annexure – Vote 14: Public Works*.

It is noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and hence these are excluded from the tables below.

It is also noted that the amounts indicated as *Unallocated* from 2012/13 onward relate to property rates for properties owned by KZN, but located in other provinces.

Table 14.9 : Summary of departmental transfers to local government by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Category A | 281 849 | 195 659 | 239 185 | 269 459 | 269 459 | 234 476 | 221 809 | 235 842 | 249 018 |
| Category B | 210 918 | 199 952 | 227 590 | 215 446 | 215 446 | 264 961 | 285 193 | 298 029 | 312 795 |
| Category C | - | - | - | - | - | - | - | - | - |
| Unallocated | - | 132 | 24 | 50 | 50 | 18 | 60 | 60 | 60 |
| Total | 492 767 | 395 743 | 466 799 | 484 955 | 484 955 | 499 455 | 507 062 | 533 931 | 561 873 |

Table 14.10 : Summary of departmental transfers to local government by grant name

| R thousand | Sub-programme | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------|-------------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Property rates | 2.1 Personnel & Admin Related | 492 767 | 395 743 | 466 799 | 484 955 | 484 955 | 499 455 | 507 062 | 533 931 | 561 873 |
| Total | | 492 767 | 395 743 | 466 799 | 484 955 | 484 955 | 499 455 | 507 062 | 533 931 | 561 873 |

The high transfer payments made in 2011/12 are ascribed to the payments of property rates for commitments relating to the previous years.

In 2012/13, over-provision was identified against the property rates funding. As a result, the property rates funding was reduced accordingly.

The increase in 2013/14 was due to arrear payments relating to 2012/13 in respect of property rates for the King George V Hospital in the eThekweni Metro. The property rates funding allocation grows at an inflationary rate over the 2015/16 MTEF.

5.10 Transfers and subsidies

Table 14.11 below is a summary of *Transfers and subsidies* per programme.

Table 14.11 : Summary of transfers and subsidies by programme and main category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 3 676 | 5 164 | 4 450 | 1 677 | 4 387 | 5 922 | 4 217 | 4 473 | 4 651 |
| Provinces and municipalities | 169 | 369 | 269 | 155 | 187 | 264 | 193 | 198 | 196 |
| Motor vehicle licences | 169 | 369 | 269 | 155 | 187 | 264 | 193 | 198 | 196 |
| Departmental agencies and accounts | 375 | 394 | 416 | 528 | 528 | 528 | 520 | 544 | 552 |
| Workmens' compensation | - | - | - | 74 | 74 | - | 40 | 40 | 42 |
| Skills development levy | 375 | 394 | 416 | 454 | 454 | 528 | 480 | 504 | 510 |
| Non-profit institutions | - | - | 409 | - | 827 | 874 | 100 | 106 | 111 |
| NPI: Donations and gifts | - | - | 409 | - | 827 | 874 | 100 | 106 | 111 |
| Households | 3 132 | 4 401 | 3 356 | 994 | 2 845 | 4 256 | 3 404 | 3 625 | 3 792 |
| Social benefits | 1 336 | 2 685 | 1 534 | 994 | 2 845 | 4 256 | 1 065 | 1 178 | 1 223 |
| Other transfers to households | 1 796 | 1 716 | 1 822 | - | - | - | 2 339 | 2 447 | 2 569 |
| 2. Property Management | 492 948 | 395 814 | 467 064 | 484 990 | 484 990 | 499 525 | 507 097 | 533 966 | 561 908 |
| Provinces and municipalities | 492 767 | 395 743 | 466 799 | 484 955 | 484 955 | 499 455 | 507 062 | 533 931 | 561 873 |
| Property rates | 492 767 | 395 743 | 466 799 | 484 955 | 484 955 | 499 455 | 507 062 | 533 931 | 561 873 |
| Departmental agencies and accounts | - | - | - | 5 | 5 | 5 | 5 | 5 | 5 |
| Workmens' compensation | - | - | - | 5 | 5 | 5 | 5 | 5 | 5 |
| Households | 181 | 71 | 265 | 30 | 30 | 65 | 30 | 30 | 30 |
| Social benefits | 181 | 71 | 265 | 30 | 30 | 65 | 30 | 30 | 30 |
| 3. Provision of Buildings, Structures and Equipment | 3 362 | 4 727 | 4 861 | 1 442 | 3 236 | 5 231 | 1 242 | 1 381 | 1 185 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | 1 | 7 | 55 | 55 | 26 | 56 | 57 | 28 |
| Workmens' compensation | - | 1 | 7 | 55 | 55 | 26 | 56 | 57 | 28 |
| Households | 3 362 | 4 726 | 4 854 | 1 387 | 3 181 | 5 205 | 1 186 | 1 324 | 1 157 |
| Social benefits | 3 362 | 4 726 | 4 854 | 1 387 | 3 181 | 5 205 | 1 186 | 1 324 | 1 157 |
| Total | 499 986 | 405 705 | 476 375 | 488 109 | 492 613 | 510 678 | 512 556 | 539 820 | 567 744 |

Provinces and municipalities in Programmes 1 and 3 reflect the payment of motor vehicle licences.

Departmental agencies and accounts payments in all programmes are for workmens' compensation, with no payments shown in the prior years against Programmes 1 and 2 due to no relevant incidents occurring. The allocation in Programme 1 also caters for the skills development levy transfer to PSETA from 2011/12 to 2014/15, for which there is no allocation for the MTEF, as explained previously.

Expenditure recorded in 2013/14 and 2014/15 under Programme 1 against *Non-profit institutions* relates to donations made to schools and war-rooms in respect of OSS. Also, a provision was made over the 2015/16 MTEF for donations relating to OSS initiatives.

The fluctuating trend against *Households* in all programmes can be ascribed to unpredictable staff exit costs under *Social benefits*. The expenditure from 2011/12 to 2013/14 against Programme 1 under *Other transfers to households* was for the payment of external bursaries, which was centralised under OTP in 2014/15, hence there is no budget and expenditure recorded in 2014/15. The significant increase over the MTEF relates to the external bursaries budget being decentralised to the department from OTP.

The high spending against *Provinces and municipalities* in 2011/12 under Programme 2 was mainly attributed to the increase in payment of property rates due to commitments relating to previous years, as well as an over-provision identified against the property rates funding, which resulted in funding being reduced accordingly. The increase in 2013/14 is ascribed to the 2012/13 arrear payments of property rates for the King George V Hospital in the eThekweni Metro. The 2015/16 MTEF shows inflationary growth.

6. Programme description

The services rendered by the department are categorised under three programmes, the details of which are discussed in greater detail below. The information for each programme is summarised in terms of sub-programmes and economic classification.

As mentioned, the department's structure is currently not in line with the uniform budget and programme structure for the Public Works sector. Programme 1 largely conforms with the uniform budget and programme structure, but Programmes 2 and 3 do not conform. Details according to the economic classification are presented in the *Annexure – Vote 14: Public Works*.

6.1 Programme 1: Administration

The main objectives of this programme are to provide strategic leadership and management support to the MEC, to build a positive corporate culture, to render support and advice in terms of human resource practices, all legal matters, security and logistics and effective communication and information management systems, render sound financial management services and risk management.

The programme comprises two sub-programmes, namely Minister Support and Management.

Tables 14.12 and 14.13 below summarise expenditure and budgeted estimates relating to Programme 1: Administration, for the financial years 2011/12 to 2017/18.

The programme shows an increasing trend over the seven years. However, there is a slight decrease in the 2014/15 Adjusted Appropriation, in the Management sub-programme, and the categories *Compensation of employees*, *Goods and services* and *Machinery and equipment*, as explained below.

Table 14.12 : Summary of payments and estimates by sub-programme: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Minister Support | 7 048 | 10 019 | 11 869 | 12 255 | 12 255 | 12 799 | 13 249 | 13 929 | 14 666 |
| 2. Management | 266 553 | 275 947 | 311 772 | 320 126 | 319 594 | 317 501 | 337 488 | 358 847 | 380 017 |
| Total | 273 601 | 285 966 | 323 641 | 332 381 | 331 849 | 330 300 | 350 737 | 372 776 | 394 683 |

Table 14.13 : Summary of payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 240 252 | 257 520 | 289 021 | 306 922 | 304 530 | 301 923 | 327 433 | 346 868 | 368 178 |
| Compensation of employees | 177 479 | 197 989 | 226 839 | 241 353 | 239 719 | 239 400 | 259 803 | 278 693 | 296 756 |
| Goods and services | 62 773 | 59 359 | 62 174 | 65 569 | 64 811 | 62 523 | 67 630 | 68 175 | 71 422 |
| Interest and rent on land | - | 172 | 8 | - | - | - | - | - | - |
| Transfers and subsidies to: | 3 676 | 5 164 | 4 450 | 1 677 | 4 387 | 5 922 | 4 217 | 4 473 | 4 651 |
| Provinces and municipalities | 169 | 369 | 269 | 155 | 187 | 264 | 193 | 198 | 196 |
| Departmental agencies and accounts | 375 | 394 | 416 | 528 | 528 | 528 | 520 | 544 | 552 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | 409 | - | 827 | 874 | 100 | 106 | 111 |
| Households | 3 132 | 4 401 | 3 356 | 994 | 2 845 | 4 256 | 3 404 | 3 625 | 3 792 |
| Payments for capital assets | 29 673 | 23 271 | 30 170 | 23 782 | 22 932 | 22 455 | 19 087 | 21 435 | 21 854 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 28 742 | 19 378 | 24 936 | 19 782 | 18 932 | 17 994 | 14 916 | 17 039 | 17 225 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 931 | 3 893 | 5 234 | 4 000 | 4 000 | 4 461 | 4 171 | 4 396 | 4 629 |
| Payments for financial assets | - | 11 | - | - | - | - | - | - | - |
| Total | 273 601 | 285 966 | 323 641 | 332 381 | 331 849 | 330 300 | 350 737 | 372 776 | 394 683 |

The substantial increase against the sub-programme: Minister Support in 2012/13 was due to a realignment exercise where baselines between the various departmental responsibilities were revised in order to correct the placement of budgets to ensure that staff are remunerated from the correct responsibility codes, thereafter the budget was adjusted accordingly. The sub-programme increases marginally over the 2015/16 MTEF due to reprioritisation undertaken from the sub-programme: Management to fund the World Aids Day event.

With regard to the sub-programme: Management, the increase in 2012/13 was largely due to pressures driven by the higher than anticipated wage agreements and the filling of vacant posts, for computer services costs (SITA) and for higher than anticipated staff exit costs. The 2013/14 increase was due to re-grading of posts on salary levels 9 and 11 to 10 and 12, respectively. The slight decrease in the 2014/15 Adjusted Appropriation was due to savings on the purchasing of vehicles, which were moved to defray spending pressures related to higher than anticipated property payments for water and electricity, as well as security services costs in Programme 3. This sub-programme shows inflationary growth over the MTEF period.

Compensation of employees shows a significant increase from 2012/13, largely due to the higher than anticipated wage agreements, as well as filling vacant posts. The 2013/14 increase is attributed to re-grading of posts on salary levels 9 and 11 to 10 and 12, respectively. The decrease in the 2014/15 Adjusted Appropriation was due to savings realised as a result of non-filling of posts, which were moved to cater for spending pressures brought about by higher than anticipated staff exit costs, as well as to fund commitments relating to the previous year in respect of OSS donations. The budget grows steadily over the 2015/16 MTEF, with the baseline increasing following a reprioritisation exercise to provide for critical vacant posts.

Goods and services reflects a fluctuating trend from 2011/12 to 2013/14. The high spending in 2011/12 was mainly attributed to an unanticipated increase in costs for computer services (SITA), rising fuel prices and costs in respect of the SIU. This accounts for the decrease in 2012/13. The slight increase in 2013/14 was due to unanticipated costs relating to the SIU and higher than anticipated fleet services costs such as fuel and oil, as well as increased costs for SITA data lines and information services under computer services. The minimal decrease in the 2014/15 Adjusted Appropriation is ascribed to financial controls implemented on items such as agency and outsourced services and training and development. The 2015/16 MTEF maintains inflationary growth, although reprioritisation was undertaken from other categories to cater for vehicle tracker devices.

With regard to *Interest and rent on land*, the spending in 2012/13 and 2013/14 relates to interest on finance leases and interest paid on overdue accounts for water and electricity.

The budget against *Transfers and subsidies to: Provinces and municipalities* caters for motor vehicle licences. The budget maintains a steady growth over the 2015/16 MTEF.

Transfers and subsidies to: Departmental agencies and accounts caters for the skills development levy and workmen's compensation. This category shows a steady trend. The minimal decrease in 2015/16 can be ascribed to reprioritisation undertaken to cater for motor vehicle licences.

Spending against *Transfers and subsidies to: Non-profit institutions* in 2013/14 and 2014/15 relates to donations made to schools and war-rooms in respect of OSS. The department has made provision for OSS donations over the 2015/16 MTEF, and the budget grows at an inflationary rate.

Transfers and subsidies to: Households provides for staff exit costs and external bursaries. The fluctuating trend from 2011/12 to 2014/15 is largely driven by the unpredictable nature of staff exit costs. The significant increase in 2012/13 was due to higher than anticipated staff turnover. The substantial reduction in the 2014/15 Main Appropriation is largely attributed to the centralisation of the external bursaries budget under OTP. The significant increase in the 2014/15 Adjusted Appropriation was due to higher than anticipated staff exit costs, and this explains the decrease in 2015/16. The 2015/16 MTEF increases at an inflationary rate, with the external bursaries budget being decentralised to the department from OTP.

With regard to *Machinery and equipment*, the high spending in 2011/12 was due to upgrading the department's IT infrastructure and networks for new offices, as well as the replacement of motor vehicles for the department, and this explains the reduction in 2012/13. The 2013/14 increase relates to the replacement of computers within the department. The minimal decrease in the 2014/15 Adjusted Appropriation is attributed to savings on the purchase of vehicles which were moved to defray spending pressures related to the higher than anticipated property payments for water, electricity and security services costs in Programme 3. The decrease in 2015/16 is due to the reprioritisation of funds from this category to fund critical vacant posts and vehicle tracker devices.

In respect of *Software and other intangible assets*, the significant increase from 2012/13 onward relates to the renewal of Cognos user licences, where the department entered into a three-year commitment and annual billing with Microsoft, as mentioned. The substantial increase in 2013/14 relates to the purchase software licences. The MTEF allocation grows at an inflationary rate.

The 2012/13 spending against *Payments for financial assets* reflects various losses which were written off.

6.2 Programme 2: Property Management

The main purpose of Programme 2 is to provide and facilitate the provision of accommodation and integrated property management services to clients through planned property life cycle (acquisition, maintenance and disposal), optimal utilisation of immovable assets, land valuation, maintenance of fixed asset register, payment of property rates and integrated service delivery. Programme 2 also includes the leasing of buildings.

There are three sub-programmes within this programme, namely Personnel and Admin Related, Hiring and Acquisition of Land, Control and Disposal. Tables 14.14 and 14.15 below summarise payments and budgeted estimates from 2011/12 to 2017/18.

Table 14.14 : Summary of payments and estimates by sub-programme: Property Management

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Personnel and Admin Related | 577 636 | 469 838 | 535 565 | 610 502 | 609 697 | 611 514 | 624 534 | 648 202 | 683 094 |
| 2. Hiring | 2 705 | 4 404 | 4 842 | 4 973 | 5 678 | 5 173 | 5 247 | 4 957 | 5 161 |
| 3. Acquisition of Land, Control and Disposal | 125 | 93 | 9 | 216 | 316 | 171 | 308 | 322 | 338 |
| Total | 580 466 | 474 335 | 540 416 | 615 691 | 615 691 | 616 858 | 630 089 | 653 481 | 688 593 |

Table 14.15 : Summary of payments and estimates by economic classification: Property Management

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|-----------------------|---------------------------|---------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 87 295 | 78 085 | 73 056 | 130 335 | 130 372 | 117 222 | 122 813 | 119 307 | 126 322 |
| Compensation of employees | 29 143 | 36 567 | 43 316 | 41 142 | 42 817 | 44 188 | 45 556 | 48 884 | 52 049 |
| Goods and services | 58 152 | 41 512 | 29 740 | 89 193 | 87 555 | 73 034 | 77 257 | 70 423 | 74 273 |
| Interest and rent on land | - | 6 | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 492 948 | 395 814 | 467 064 | 484 990 | 484 990 | 499 525 | 507 097 | 533 966 | 561 908 |
| Provinces and municipalities | 492 767 | 395 743 | 466 799 | 484 955 | 484 955 | 499 455 | 507 062 | 533 931 | 561 873 |
| Departmental agencies and accounts | - | - | - | 5 | 5 | 5 | 5 | 5 | 5 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 181 | 71 | 265 | 30 | 30 | 65 | 30 | 30 | 30 |
| Payments for capital assets | 223 | 436 | 296 | 366 | 329 | 111 | 179 | 208 | 363 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 223 | 436 | 296 | 366 | 329 | 111 | 179 | 208 | 363 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 580 466 | 474 335 | 540 416 | 615 691 | 615 691 | 616 858 | 630 089 | 653 481 | 688 593 |

The sub-programme: Personnel and Admin Related shows high spending in 2011/12 due to a roll-over in respect of property rates commitments from the previous year. This explains the significant decrease in 2012/13 which was also driven by the reduction and adjustment of property rates funding, after the department had identified over-provision in respect of this funding. The increase in 2013/14 is ascribed to a roll-over in respect of property rates to cater for invoices relating to the previous year, and the unanticipated arrear payment for property rates relating to the King George V Hospital which was only effected in 2013/14. The significant increase in 2014/15 emanated from a roll-over from 2012/13 to 2014/15 for the Fixed Asset Management Tool. The slight reduction in the 2014/15 Adjusted Appropriation relates to savings due to financial controls implemented on items such as agency and support outsourced services moved from this sub-programme to Hiring, to offset higher than anticipated costs relating to the department's building leases, in respect of Fedsure House in Pietermaritzburg. The MTEF allocations cater for continuation of GIAMA projects and the implementation of the Fixed Asset Management Tool.

With regard to the sub-programme: Hiring, the substantial increase in 2012/13 was caused by unanticipated pressures in operating leases for the rental of buildings. The increase in the 2014/15 Adjusted Appropriation was to cater for higher than anticipated costs relating to the department's building leases, in respect of Fedsure House in Pietermaritzburg. Provision for this is also made and adjusted accordingly for 2015/16, explaining the decrease in growth over the two outer years of the MTEF.

The erratic trend from 2011/12 to 2013/14 against the sub-programme: Acquisition of Land, Control and Disposal is ascribed to the number of valuations of properties made by the department. The decrease in 2012/13 relates to funding reprioritised to the Personnel and Admin Related sub-programme to provide for Windeed research and advisory costs which is a system used to access information on property, in respect of property ownership, value of property, etc. Spending in 2013/14 decreases significantly because of funds that were moved to the sub-programme: Personnel and Admin Related to cater for the provision of security services in vacant facilities and the maintenance of sites in respect of the *Izandla Ziyagezana* programme. The sub-programme shows inflationary growth over the 2015/16 MTEF.

The high spending from 2011/12 onward against *Compensation of employees* was driven by the carry-through costs associated with the filling of posts, as well as higher than anticipated annual wage agreements. The increase in the 2014/15 Adjusted Appropriation was to address pressures brought about by unanticipated renewal of contracts for officials appointed to conduct the Property Incubator programme. This project was not anticipated to continue beyond 2014, but the learners were gaining

practical experience to assist them to get employment opportunities, and this amount was moved to offset pressures relating to the stipends of the learners. This category grows steadily over the 2015/16 MTEF.

The high spending against *Goods and services* in 2011/12 was due to once-off funding for the fixed asset register and carry-through additional funding for GIAMA. This accounts for the decrease in 2012/13. Furthermore, there was a significant decrease in 2013/14 as a result of delays in the awarding of the tender in respect of GIAMA, where an appeal was lodged in respect of the condition assessment tender. Also contributing were delays in the SCM processes for the purchase and development of the Fixed Asset Management Tool. The peak in 2014/15 was driven by a roll-over from 2012/13 for the Fixed Asset Management Tool, as well as reprioritised funds to cater for operating costs of the newly established the Harry Gwala district office. The decline in the 2014/15 Adjusted Appropriation is attributed to savings moved from GIAMA funding to fund salaries relating to the Property Incubator programme, as explained above. This explains the reduction in 2015/16. This category shows inflationary growth over the MTEF.

The spending of R6 000 in 2012/13 against *Interest and rent on land* relates to interest on finance leases.

The high spending in 2011/12 against *Transfers and subsidies to: Provinces and municipalities* was mainly due to a roll-over in respect of property rates to fund commitments relating to the previous year. This accounts for the decrease in 2012/13. The 2013/14 increase is attributed to a roll-over in respect of property rates to cater for invoices relating to the previous year, and the unanticipated arrear payment for property rates relating to the King George V Hospital which was only effected in 2013/14. This category grows steadily over the 2015/16 MTEF.

The budget against *Transfers and subsidies to: Departmental agencies and accounts* is for the payment of workmen's compensation, and is linked to claims received, with no payments made in 2011/12 to 2013/14. Allocations remain constant over the 2015/16 MTEF, as this cannot be predetermined.

With regard to *Transfers and subsidies to: Households*, the high spending in 2011/12 and 2013/14 was due to higher than anticipated staff exit costs. Over the 2015/16 MTEF, allocations remain constant because it is difficult to accurately budget for staff exit costs.

The fluctuating trend against *Machinery and equipment* relates to actual requirements. The significant increase in 2012/13 was attributed to the SCOA reclassification of finance leases, which were originally budgeted for under *Goods and services*. This accounts for the decrease in 2013/14. The minimal decrease in the 2014/15 Adjusted Appropriation is largely due to shifting of funds from this category against finance leases to be correctly classified against *Goods and services* under communication services. The significant decrease in 2015/16 relating to actual requirements, thereafter, this category grows steadily over the 2015/16 MTEF.

Service delivery measures – Programme 2: Property Management

Table 14.16 reflects the service delivery measures for Programme 2. The department provided internal service delivery measures for Programme 2, which are a mix of sectoral and non-sectoral measures.

Table 14.16 : Service delivery measures – Programme 2: Property Management

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | |
|--|--|-----------------------|---------------------|---------|---------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 1. Acquisition of properties to satisfy land and building needs of provincial depts. through property acquisition, disposal, hiring and letting | • No. of properties acquired | 22 | 15 | 20 | 21 |
| 2. Timeous hiring of properties to satisfy land and building needs of provincial depts. through property acquisition, disposal, hiring and letting | • No. of lease agreements concluded | 200 | 200 | 131 | 180 |
| 3. Implementation of GIAMA to effectively manage immovable assets | • U-AMPs compiled and submitted to PT in accordance with GIAMA | 1 | 1 | 1 | 1 |
| | • C-AMP compiled and submitted to PT in accordance with GIAMA | 1 | 1 | 1 | 1 |

Table 14.16 : Service delivery measures – Programme 2: Property Management

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|---|---|-----------------------|---------------------|---------|---------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 4. Successful implementation of <i>Izandla Ziyagezana</i> programme to contribute to job creation (massification of EPWP) | • No. of work opportunities created through <i>Izandla Ziyagezana</i> programme | 430 | 430 | 430 | 430 | |
| 5. Vesting of provincial properties to take transfer of all immovable assets | • No. of properties registered into the name of the KZN provincial government | 300 | 200 | 200 | 100 | |
| 6. Effective projection and timely payment of municipal rates to facilitate payment of property rates (conditional grant) | • Financial expenditure on approved property rates invoices submitted by municipalities | R458m | R519m | R547m | R547m | |

6.3 Programme 3: Provision of Buildings, Structures and Equipment

The main purpose of this programme is the erection and/or acquisition of buildings, structures and engineering works and the maintenance of buildings to client specifications. The core services of Programme 3 are:

- Improving integrated service delivery in the provision of buildings and structures.
- Creating jobs through the EPWP.
- Creating an enabling environment for affirmable business enterprises.
- Initiating and co-ordinating strategic partnerships.
- Co-ordinating and aligning operational activities in line with municipal demarcations.

Tables 14.17 and 14.18 summarise payments and budgeted estimates relating to Programme 3 for the period 2011/12 to 2017/18.

Table 14.17 : Summary of payments and estimates by sub-programme: Provision of Buildings, Structures and Equipment

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Personnel and Admin Related | 276 573 | 285 008 | 322 047 | 333 827 | 334 712 | 339 087 | 331 214 | 350 624 | 372 417 |
| 2. Buildings and Structures | 51 628 | 88 002 | 84 149 | 87 462 | 109 511 | 105 843 | 77 626 | 72 901 | 70 890 |
| Total | 328 201 | 373 010 | 406 196 | 421 289 | 444 223 | 444 930 | 408 840 | 423 525 | 443 307 |

Table 14.18 : Summary of payments and estimates by economic classification: Provision of Buildings, Structures and Equipment

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 270 974 | 290 004 | 317 047 | 339 254 | 340 997 | 343 934 | 334 959 | 354 846 | 374 706 |
| Compensation of employees | 191 401 | 203 931 | 218 938 | 237 653 | 234 717 | 229 656 | 251 609 | 269 282 | 286 117 |
| Goods and services | 79 573 | 86 020 | 98 105 | 101 601 | 106 279 | 114 277 | 83 350 | 85 564 | 88 589 |
| Interest and rent on land | - | 53 | 4 | - | 1 | 1 | - | - | - |
| Transfers and subsidies to: | 3 362 | 4 727 | 4 861 | 1 442 | 3 236 | 5 231 | 1 242 | 1 381 | 1 185 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | 1 | 7 | 55 | 55 | 26 | 56 | 57 | 28 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 3 362 | 4 726 | 4 854 | 1 387 | 3 181 | 5 205 | 1 186 | 1 324 | 1 157 |
| Payments for capital assets | 43 485 | 78 180 | 84 288 | 80 593 | 99 990 | 95 765 | 72 639 | 67 298 | 67 416 |
| Buildings and other fixed structures | 42 669 | 76 886 | 74 773 | 78 934 | 98 548 | 94 461 | 71 373 | 66 318 | 66 225 |
| Machinery and equipment | 816 | 1 294 | 9 515 | 1 659 | 1 442 | 1 304 | 1 104 | 980 | 1 191 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | 162 | - | - |
| Payments for financial assets | 10 380 | 99 | - | - | - | - | - | - | - |
| Total | 328 201 | 373 010 | 406 196 | 421 289 | 444 223 | 444 930 | 408 840 | 423 525 | 443 307 |

The sub-programme: Personnel and Admin Related reflects an increasing trend over the seven years. The slight increase in 2012/13 was mainly attributed to a realignment exercise of *Compensation of employees* between programmes, higher than anticipated expenditure for consultants, contractors, maintenance and repairs, as well as for the EPWP Integrated Grant for Provinces and for unpredictable staff exit costs. In 2014/15, once-off additional funding was allocated for the NYSP and the Richmond Community Development programme. The further increase in the 2014/15 Adjusted Appropriation emanated from a roll-over received from 2013/14 for the Richmond Community Development programme. Also contributing were savings on the purchase of vehicles in Programme 1 which were moved to defray spending pressures related to higher than anticipated costs of property payments such as water and electricity and security services costs in this sub-programme. Mitigating this increase was a reduction in respect of the Richmond Community Development programme relating to ablution facilities in the Richmond area which were incorrectly classified against this programme under *Goods and services*, instead of the Buildings and Structures sub-programme under *Payments for capital assets*. This also explains the decrease in 2015/16. The significant growth in the two outer years of the MTEF can be largely ascribed to reprioritisation undertaken from the sub-programme: Buildings and Structures to fund operational costs for the EPWP co-ordination function as the funds suspended from DOT were inadequate.

The sub-programme: Buildings and Structures shows a fluctuating trend over the seven years, as it is based on department's actual capital infrastructure requirements, including new and carry-through costs on certain projects. The significant increase in 2012/13 is attributed to commencement of the head office project. The 2013/14 decrease was due to slow progress on the head office project, and delays relating to non-compliance caused by the lack of capacity by the contractor of the uMgungundlovu new administrative wing. The substantial increase in the 2014/15 Adjusted Appropriation relates to the shifting of funds from the Personnel and Admin Related sub-programme for the Richmond Community Development programme relating to ablution facilities in the Richmond area, as explained previously. In addition, once-off additional funding was received for refurbishment work at Nyokeni Palace that was needed to be completed before the Reed Dance ceremony in September 2014. This sub-programme reflects a declining growth over the 2015/16 MTEF, largely due to reprioritisation undertaken to fund operational costs for the EPWP co-ordination function housed under the sub-programme: Personnel and Admin Related, as explained previously.

Compensation of employees shows an increasing trend over the seven years, largely due to the filling of vacant posts and the various higher than anticipated wage agreements, as well as additional funding received for improving infrastructure support. The decrease in the 2014/15 Adjusted Appropriation was due to difficulty in filling vacant posts, resulting in consultants being employed in the capacity of project managers in the Ulundi region. Hence, funds were moved to *Goods and services*. Further to this, savings were made to address pressures caused by higher than anticipated water, electricity and security services, and also to offset higher than anticipated staff exit costs, which are difficult to budget for. The MTEF allocations increase significantly following reprioritisation of funds from *Payments for capital assets* to fund the EPWP co-ordination function, which was moved from DOT. Note that additional funding was allocated in the 2012/13 MTEF for improving infrastructure support. As mentioned earlier, this funding was specifically and exclusively appropriated and the department has not yet completed the implementation of its revised infrastructure staffing structure that this funding was intended for. Thus amounts of R20.758 million, R21.713 million and R22.799 million remain ring-fenced within this category for this purpose over the three years of the 2015/16 MTEF

Spending against *Goods and services* reflects an increasing trend from 2011/12 to 2014/15. The increase in 2013/14 can be ascribed to high costs of repairs and maintenance, as well as water and electricity. The increase in the 2014/15 Adjusted Appropriation was driven by a roll-over for previous year commitments relating to the Richmond Community Development programme, as well as additional funding received for renovations to His Majesty's Ulundi Palace, the LA Complex, Ministerial houses and temporary residential units for a Royal Household event. These renovations were largely accounted for as repairs and maintenance. This explains the significant decrease in 2015/16. Allocations over the 2015/16 MTEF, which also cater for operational costs in respect of EPWP co-ordination function, show steady growth.

The spending in 2012/13, 2013/14 and the 2014/15 Adjusted Appropriation against *Interest and rent on land* relates to interest on finance leases.

Transfers and subsidies to: Departmental agencies and accounts relates to workmen's compensation payments which are difficult to budget for accurately due to the nature of claims. As a result, this category shows erratic growth over the 2015/16 MTEF, which declines in 2017/18.

Transfers and subsidies to: Households is largely ascribed to staff exit costs which are difficult to budget for, hence, the fluctuating trend over the seven years.

With regard to *Buildings and other fixed structures*, the fluctuating trend over the seven years is based on actual capital infrastructure requirements, including new and carry-through costs on certain projects. The increase in the 2014/15 Adjusted Appropriation can be ascribed to the previously mentioned shifting of funds in respect of the Richmond Community Development programme for ablution facilities in the Richmond area, which were incorrectly classified against *Goods and services*. Also contributing was once-off additional funding for refurbishment work at Nyokeni Palace, as explained above. The MTEF allocations include funding reprioritised from *Goods and services* to fund the construction of the Southern regional office and new canteen. The baseline over the 2015/16 MTEF is based on the department's actual infrastructure requirements and has decreased significantly due to reprioritisation undertaken from this category to cater for the EPWP co-ordination function, which was moved from DOT to the department.

Machinery and equipment fluctuates over the seven years, largely due to actual requirements in the programme such as office furniture and computers. The 2012/13 increase was as a result of a SCOA reclassification in respect of finance leases for cell phones, where funds were shifted from *Goods and services* to this category. Furthermore, there was a significant increase in 2013/14 attributed to higher than anticipated costs of replacing computers within the department. The decrease in the 2014/15 Adjusted Appropriation was due to a function shift of finance leases to *Goods and services*. This shifting of funds also impacted on the 2015/16 MTEF, which shows fluctuating growth. The declining growth in 2016/17 is ascribed to actual requirements.

The 2015/16 allocation against *Software and other intangible assets* is to provide for Computer Aided Designs, which aids architects to design 3D pictures relating to infrastructure.

The department wrote off various losses of R10.380 million and R99 000 in 2011/12 and 2012/13, respectively, as reflected against *Payments for financial assets*.

Service delivery measures – Programme 3: Provision of Buildings, Structures and Equipment

The department has provided several internal service delivery measures for Programme 3, which are a mix of sectoral and non-sectoral measures, reflected in Table 14.19 below. Some performance indicators have no targets in 2016/17 and 2017/18, because DOPW does not budget for infrastructure on behalf of other client departments. These departments instruct DOPW in the form of their infrastructure plans or on an *ad hoc* basis.

Table 14.19 : Service delivery measures – Programme 3: Provision of Buildings, Structures and Equipment

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | |
|----------------------------------|--|-----------------------|---------------------|---------|---------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 1. Implementation of IDIP | • No. of IPMP finalised and approved by due date that respond to provincial depts. (that are implementing the IDMS) that submit approved IPMPs to DOPW | 3 | 3 | 3 | 3 |
| | • No. of planned capital projects completed within agreed budget | 27 | 12 | - | - |
| | • No. of planned maintenance projects completed within agreed budget | 15 | 12 | - | - |
| 2. Job creation in terms of EPWP | • No. of work opportunities | 4 500 | 6 000 | 7 500 | - |
| | • No. of FTEs | 800 | 850 | 950 | - |
| 3. Implementation of NYS | • No. of learners trained on accredited modules | 80 | 80 | 80 | 80 |

7. Other programme information

7.1 Personnel numbers and costs

Tables 14.20 and 14.21 below illustrate personnel numbers and estimates, as well as various categories of workers within the department over the seven-year period.

The decrease in the number of posts in 2012/13 was mainly due to high staff turnover experienced by the department.

The further decline in 2014/15 can be ascribed to difficulty in filling of vacant posts, and these vacant posts are anticipated to be filled in 2015/16. This accounts for the increase in the number of posts over the 2015/16 MTEF.

The decline in the number of posts against Programme 2 is driven by termination of contracts relating to the Property Incubator programme trainees.

Table 14.20 : Personnel numbers and costs by programme

| 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 | 921 | 1 019 | 983 | 526 | 553 | 592 | 592 |
| 2. Property Management | 105 | 145 | 157 | 149 | 149 | 125 | 125 |
| 3. Provision of Buildings, Structures and Equipment | 1 052 | 898 | 920 | 1 307 | 1 332 | 1 376 | 1 376 |
| Total | 2 078 | 2 062 | 2 060 | 1 982 | 2 034 | 2 093 | 2 093 |
| Total personnel cost (R thousand) | 398 023 | 438 487 | 489 093 | 513 244 | 556 968 | 596 859 | 634 922 |
| Unit cost (R thousand) | 192 | 213 | 237 | 259 | 274 | 285 | 303 |

Table 14.21 : Summary of departmental personnel numbers and costs by component

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------|---------|-----------------------|---------------------------|---------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Total for the department | | | | | | | | | |
| Personnel numbers (head count) | 2 078 | 2 062 | 2 060 | 1 982 | 1 982 | 1 982 | 2 034 | 2 093 | 2 093 |
| Personnel cost (R thousands) | 398 023 | 438 487 | 489 093 | 520 148 | 517 253 | 513 244 | 556 968 | 596 859 | 634 922 |
| Human resources component | | | | | | | | | |
| Personnel numbers (head count) | 158 | 149 | 180 | 150 | 150 | 150 | 159 | 159 | 159 |
| Personnel cost (R thousands) | 27 775 | 28 259 | 38 429 | 32 596 | 32 596 | 32 596 | 34 333 | 36 496 | 38 795 |
| Head count as % of total for department | 7.60 | 7.23 | 8.74 | 7.57 | 7.57 | 7.57 | 7.82 | 7.60 | 7.60 |
| Personnel cost as % of total for department | 6.98 | 6.44 | 7.86 | 6.27 | 6.30 | 6.35 | 6.16 | 6.11 | 6.11 |
| Finance component | | | | | | | | | |
| Personnel numbers (head count) | 120 | 124 | 119 | 120 | 120 | 120 | 127 | 127 | 127 |
| Personnel cost (R thousands) | 19 423 | 22 925 | 23 226 | 24 829 | 24 829 | 24 829 | 26 050 | 27 691 | 29 436 |
| Head count as % of total for department | 5.77 | 6.01 | 5.78 | 6.05 | 6.05 | 6.05 | 6.24 | 6.07 | 6.07 |
| Personnel cost as % of total for department | 4.88 | 5.23 | 4.75 | 4.77 | 4.80 | 4.84 | 4.68 | 4.64 | 4.64 |
| Full time workers | | | | | | | | | |
| Personnel numbers (head count) | 2 016 | 1 974 | 1 931 | 1 881 | 1 881 | 1 881 | 1 933 | 1 992 | 1 992 |
| Personnel cost (R thousands) | 382 164 | 409 419 | 455 557 | 493 833 | 490 938 | 486 929 | 530 653 | 570 544 | 608 607 |
| Head count as % of total for department | 97.02 | 95.73 | 93.74 | 94.90 | 94.90 | 94.90 | 95.03 | 95.17 | 95.17 |
| Personnel cost as % of total for department | 96.02 | 93.37 | 93.14 | 94.94 | 94.91 | 94.87 | 95.28 | 95.59 | 95.86 |
| Part-time workers | | | | | | | | | |
| Personnel numbers (head count) | - | - | - | - | - | - | - | - | - |
| Personnel cost (R thousands) | - | - | - | - | - | - | - | - | - |
| Head count as % of total for department | - | - | - | - | - | - | - | - | - |
| Personnel cost as % of total for department | - | - | - | - | - | - | - | - | - |
| Contract workers | | | | | | | | | |
| Personnel numbers (head count) | 62 | 88 | 129 | 101 | 101 | 101 | 101 | 101 | 101 |
| Personnel cost (R thousands) | 15 859 | 29 068 | 33 536 | 26 315 | 26 315 | 26 315 | 26 315 | 26 315 | 26 315 |
| Head count as % of total for department | 2.98 | 4.27 | 6.26 | 5.10 | 5.10 | 5.10 | 4.97 | 4.83 | 4.83 |
| Personnel cost as % of total for department | 3.98 | 6.63 | 6.86 | 5.06 | 5.09 | 5.13 | 4.72 | 4.41 | 4.14 |

7.2 Training

Tables 14.22 and 14.23 give a summary of departmental spending and information on training. Table 14.22 includes payments and estimates for all training items such as bursaries, skills development levy, as well as normal training costs, hence the amounts are significantly less than the item *Training and development* under *Goods and services*.

Table 14.22 : Payments on training by programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 2 257 | 4 274 | 3 198 | 5 641 | 2 779 | 1 863 | 3 564 | 3 669 | 3 868 |
| Subsistence and travel | 33 | 63 | - | 128 | - | - | - | - | - |
| Payments on tuition | 1 077 | 2 039 | 3 198 | 520 | 2 779 | 1 863 | 3 564 | 3 669 | 3 868 |
| Other | 1 147 | 2 172 | - | 4 993 | - | - | - | - | - |
| 2. Property Management | 6 | 8 | 40 | 431 | 312 | 148 | 472 | 506 | 527 |
| Subsistence and travel | - | - | - | 10 | - | - | - | - | - |
| Payments on tuition | 3 | 4 | 40 | 40 | 312 | 148 | 472 | 506 | 527 |
| Other | 3 | 4 | - | 381 | - | - | - | - | - |
| 3. Provision of Buildings, Structures and Equipment | 503 | 506 | 630 | 2 304 | 1 841 | 1 652 | 2 429 | 2 665 | 2 796 |
| Subsistence and travel | 7 | 8 | - | 52 | - | - | - | - | - |
| Payments on tuition | 240 | 241 | 630 | 213 | 1 841 | 1 652 | 2 429 | 2 665 | 2 796 |
| Other | 256 | 257 | - | 2 039 | - | - | - | - | - |
| Total | 2 766 | 4 788 | 3 868 | 8 376 | 4 932 | 3 663 | 6 465 | 6 840 | 7 191 |

The fluctuating trend from 2011/12 to 2013/14 was due to training and staff development costs. The significant decrease in the 2014/15 Adjusted Appropriation is due to the centralisation of the external bursaries budget under OTP. The increase over the 2015/16 MTEF is due to the requirement by the Skills Development Act, that allows for departments to budget at least one per cent of its salary expense for staff training. This requirement gives credence to government policy on human resource development.

Table 14.23 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships. Training includes short courses for in-house staff, as well as internships in the various programmes.

Table 14.23 : Information on training: Public Works

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Number of staff | 2 078 | 2 062 | 2 060 | 1 982 | 1 982 | 1 982 | 2 034 | 2 093 | 2 093 |
| Number of personnel trained | 865 | 746 | 1 805 | 808 | 808 | 1 369 | 818 | 867 | 954 |
| of which | | | | | | | | | |
| Male | 446 | 336 | 789 | 457 | 457 | 691 | 443 | 469 | 516 |
| Female | 419 | 410 | 1 016 | 351 | 351 | 678 | 375 | 398 | 438 |
| Number of training opportunities | 857 | 790 | 79 | 57 | 57 | 71 | 61 | 66 | 59 |
| of which | | | | | | | | | |
| Tertiary | - | 8 | 32 | 10 | 10 | 33 | 11 | 12 | - |
| Workshops | 457 | 98 | 22 | 27 | 27 | 27 | 28 | 30 | 32 |
| Seminars | 10 | 43 | 5 | 15 | 15 | 6 | 15 | 16 | 17 |
| Other | 390 | 641 | 20 | 5 | 5 | 5 | 7 | 8 | 10 |
| Number of bursaries offered | 35 | 65 | 27 | 23 | 23 | 23 | 55 | 60 | 65 |
| Number of interns appointed | 12 | 12 | 8 | 59 | 59 | 59 | 50 | 46 | 46 |
| Number of learnerships appointed | 3 | 1 | 1 | 1 | 1 | - | 1 | 1 | - |
| Number of days spent on training | 186 | 483 | 485 | 490 | 490 | 244 | 500 | 530 | 560 |

ANNEXURE – VOTE 14: PUBLIC WORKS

Table 14.A : Details of departmental receipts: Public Works

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 4 717 | 6 122 | 5 794 | 6 461 | 6 461 | 6 461 | 7 067 | 7 521 | 8 085 |
| Sale of goods and services produced by dept. (excl. capital assets) | 4 711 | 6 117 | 5 788 | 6 459 | 6 459 | 6 459 | 7 065 | 7 519 | 8 083 |
| <i>Sales by market establishments</i> | 4 256 | 3 969 | 3 935 | 4 486 | 4 486 | 4 486 | 4 899 | 5 208 | 5 566 |
| <i>Administrative fees</i> | 455 | 2 148 | 1 853 | 1 973 | 1 973 | 1 973 | 2 166 | 2 311 | 2 517 |
| <i>Other sales</i> | - | - | - | - | - | - | - | - | - |
| Sale of scrap, waste, arms and other used current goods (excl. capital assets) | 6 | 5 | 6 | 2 | 2 | 2 | 2 | 2 | 2 |
| Transfers received from: | - | - | - | - | - | - | - | - | - |
| Other governmental units | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments | - | - | - | - | - | - | - | - | - |
| International organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Households and non-profit institutions | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | 198 | 220 | 159 | 164 | 164 | 164 | 180 | 191 | 209 |
| Interest | 44 | 140 | 54 | 66 | 66 | 66 | 72 | 76 | 83 |
| Dividends | - | - | - | - | - | - | - | - | - |
| Rent on land | 154 | 80 | 105 | 98 | 98 | 98 | 108 | 115 | 126 |
| Sale of capital assets | - | 15 908 | 10 875 | 755 | 755 | 8 543 | 220 | 240 | 264 |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Other capital assets | - | 15 908 | 10 875 | 755 | 755 | 8 543 | 220 | 240 | 264 |
| Transactions in financial assets and liabilities | 1 201 | 1 392 | 1 430 | 872 | 872 | 1 472 | 959 | 1 015 | 1 106 |
| Total | 6 116 | 23 642 | 18 258 | 8 252 | 8 252 | 16 640 | 8 426 | 8 967 | 9 664 |

Table 14.B : Payments and estimates by economic classification: Public Works

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|-----------------------|------------------|------------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 598 521 | 625 609 | 679 124 | 776 511 | 775 899 | 763 079 | 785 205 | 821 021 | 869 206 |
| Compensation of employees | 398 023 | 438 487 | 489 093 | 520 148 | 517 253 | 513 244 | 556 968 | 596 859 | 634 922 |
| Salaries and wages | 335 666 | 370 786 | 418 400 | 444 745 | 441 854 | 440 603 | 477 884 | 513 482 | 545 895 |
| Social contributions | 62 357 | 67 701 | 70 693 | 75 403 | 75 399 | 72 641 | 79 084 | 83 377 | 89 027 |
| Goods and services | 200 498 | 186 891 | 190 019 | 256 363 | 258 645 | 249 834 | 228 237 | 224 162 | 234 284 |
| Administrative fees | 23 | 140 | 251 | 361 | 649 | 747 | 661 | 711 | 736 |
| Advertising | 6 194 | 6 839 | 5 820 | 5 815 | 6 370 | 6 223 | 6 007 | 6 186 | 6 231 |
| Assets less than the capitalisation threshold | 571 | 1 137 | 928 | 1 149 | 1 714 | 2 702 | 1 195 | 990 | 1 043 |
| Audit cost: External | 2 029 | 4 252 | 5 388 | 4 090 | 4 940 | 4 940 | 4 241 | 4 373 | 4 472 |
| Bursaries: Employees | 497 | 611 | 338 | 391 | 391 | 391 | 412 | 434 | 400 |
| Catering: Departmental activities | 506 | 571 | 466 | 276 | 283 | 657 | 809 | 844 | 881 |
| Communication (G&S) | 7 359 | 9 169 | 10 498 | 7 514 | 8 096 | 9 647 | 8 678 | 9 066 | 9 403 |
| Computer services | 15 219 | 16 307 | 23 040 | 41 128 | 41 228 | 32 494 | 14 819 | 14 239 | 15 861 |
| Cons & prof serv: Business and advisory services | 585 | 319 | 286 | 236 | 390 | 297 | 338 | 353 | 370 |
| Cons & prof serv: Infras and planning | 1 741 | 158 | 376 | 386 | 386 | 107 | 407 | 228 | 240 |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 221 | 1 064 | 231 | 1 582 | 1 581 | 1 189 | 1 316 | 1 634 | 1 756 |
| Contractors | 8 625 | 12 229 | 9 580 | 8 149 | 10 784 | 12 517 | 7 763 | 7 823 | 5 979 |
| Agency and support / outsourced services | 69 122 | 42 042 | 23 965 | 64 193 | 50 505 | 50 493 | 65 831 | 60 198 | 64 998 |
| Entertainment | 241 | 153 | 204 | 251 | 251 | 322 | 276 | 297 | 308 |
| Fleet services (incl. govt motor transport) | 8 277 | 8 177 | 11 035 | 9 427 | 9 427 | 7 268 | 10 763 | 11 504 | 11 870 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 14 | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 114 | 43 | 52 | 82 | - | - | - | - | - |
| Inventory: Learner and teacher support material | 89 | 92 | 47 | 133 | - | - | - | - | - |
| Inventory: Materials and supplies | 209 | 447 | 136 | 200 | - | - | - | - | - |
| Inventory: Medical supplies | 9 | 4 | 2 | 51 | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 2 329 | 1 565 | 3 816 | 3 402 | 4 115 | 3 315 | 4 576 | 4 845 | 4 964 |
| Consumable: Stationery, printing and office supplies | 2 990 | 3 338 | 3 139 | 4 625 | 4 512 | 3 931 | 5 078 | 5 096 | 5 351 |
| Operating leases | 8 592 | 3 818 | 3 167 | 4 770 | 4 574 | 3 475 | 4 512 | 4 768 | 4 926 |
| Property payments | 38 747 | 42 122 | 58 729 | 38 503 | 55 219 | 58 609 | 56 201 | 58 751 | 61 728 |
| Transport provided: Departmental activity | 83 | 68 | 252 | 37 | 15 | 251 | 23 | 24 | 25 |
| Travel and subsistence | 16 827 | 15 737 | 14 397 | 15 935 | 15 508 | 13 735 | 16 230 | 16 984 | 17 231 |
| Training and development | 4 900 | 7 670 | 6 059 | 15 835 | 29 295 | 28 570 | 10 173 | 7 016 | 7 450 |
| Operating payments | 3 857 | 5 130 | 2 653 | 2 139 | 2 219 | 2 112 | 1 972 | 2 108 | 2 135 |
| Venues and facilities | 542 | 175 | 291 | 730 | 448 | - | 596 | 614 | 640 |
| Rental and hiring | - | 3 514 | 4 859 | 24 973 | 5 745 | 5 842 | 5 360 | 5 076 | 5 286 |
| Interest and rent on land | - | 231 | 12 | - | 1 | 1 | - | - | - |
| Interest | - | 231 | 12 | - | 1 | 1 | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 499 986 | 405 705 | 476 375 | 488 109 | 492 613 | 510 678 | 512 556 | 539 820 | 567 744 |
| Provinces and municipalities | 492 936 | 396 112 | 467 068 | 485 110 | 485 142 | 499 719 | 507 255 | 534 129 | 562 069 |
| Provinces | 169 | 369 | 269 | 155 | 187 | 264 | 193 | 198 | 196 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 169 | 369 | 269 | 155 | 187 | 264 | 193 | 198 | 196 |
| Municipalities | 492 767 | 395 743 | 466 799 | 484 955 | 484 955 | 499 455 | 507 062 | 533 931 | 561 873 |
| Municipalities | 492 767 | 395 743 | 466 799 | 484 955 | 484 955 | 499 455 | 507 062 | 533 931 | 561 873 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 375 | 395 | 423 | 588 | 588 | 559 | 581 | 606 | 585 |
| Social security funds | - | 1 | 7 | 134 | 134 | 30 | 101 | 102 | 75 |
| Provide list of entities receiving transfers | 375 | 394 | 416 | 454 | 454 | 529 | 480 | 504 | 510 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | 409 | - | 827 | 874 | 100 | 106 | 111 |
| Households | 6 675 | 9 198 | 8 475 | 2 411 | 6 056 | 9 526 | 4 620 | 4 979 | 4 979 |
| Social benefits | 4 879 | 7 482 | 6 653 | 2 411 | 6 056 | 9 196 | 2 281 | 2 532 | 2 410 |
| Other transfers to households | 1 796 | 1 716 | 1 822 | - | - | 330 | 2 339 | 2 447 | 2 569 |
| Payments for capital assets | 73 381 | 101 887 | 114 754 | 104 741 | 123 251 | 118 331 | 91 905 | 88 941 | 89 633 |
| Buildings and other fixed structures | 42 669 | 76 886 | 74 773 | 78 934 | 98 548 | 94 461 | 71 373 | 66 318 | 66 225 |
| Buildings | 42 669 | 76 886 | 74 773 | 78 934 | 98 548 | 94 461 | 71 373 | 66 318 | 66 225 |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 29 781 | 21 108 | 34 747 | 21 807 | 20 703 | 19 409 | 16 199 | 18 227 | 18 779 |
| Transport equipment | 16 055 | 9 468 | 7 852 | 9 945 | 9 322 | 9 322 | 6 341 | 7 052 | 7 086 |
| Other machinery and equipment | 13 726 | 11 640 | 26 895 | 11 862 | 11 381 | 10 087 | 9 858 | 11 175 | 11 693 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 931 | 3 893 | 5 234 | 4 000 | 4 000 | 4 461 | 4 333 | 4 396 | 4 629 |
| Payments for financial assets | 10 380 | 110 | - | - | - | - | - | - | - |
| Total | 1 182 268 | 1 133 311 | 1 270 253 | 1 369 361 | 1 391 763 | 1 392 088 | 1 389 666 | 1 449 782 | 1 526 583 |

Table 14.C : Payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 240 252 | 257 520 | 289 021 | 306 922 | 304 530 | 301 923 | 327 433 | 346 868 | 368 178 |
| Compensation of employees | 177 479 | 197 989 | 226 839 | 241 353 | 239 719 | 239 400 | 259 803 | 278 693 | 296 756 |
| Salaries and wages | 148 639 | 165 327 | 191 684 | 204 402 | 202 672 | 203 048 | 221 217 | 238 054 | 253 834 |
| Social contributions | 28 840 | 32 662 | 35 155 | 36 951 | 37 047 | 36 352 | 38 586 | 40 639 | 42 922 |
| Goods and services | 62 773 | 59 359 | 62 174 | 65 569 | 64 811 | 62 523 | 67 630 | 68 175 | 71 422 |
| Administrative fees | 14 | 110 | 113 | 47 | 85 | 103 | 94 | 99 | 102 |
| Advertising | 3 199 | 4 525 | 3 349 | 3 665 | 4 220 | 3 940 | 3 772 | 3 830 | 3 885 |
| Assets less than the capitalisation threshold | 467 | 372 | 551 | 659 | 1 010 | 985 | 837 | 711 | 755 |
| Audit cost: External | 2 029 | 4 252 | 5 388 | 4 090 | 4 940 | 4 940 | 4 241 | 4 373 | 4 472 |
| Bursaries: Employees | 497 | 611 | 338 | 391 | 391 | 391 | 412 | 434 | 400 |
| Catering: Departmental activities | 391 | 504 | 389 | 188 | 195 | 632 | 184 | 187 | 191 |
| Communication (G&S) | 7 041 | 8 666 | 10 074 | 6 754 | 7 082 | 8 754 | 7 558 | 7 918 | 8 227 |
| Computer services | 11 395 | 12 106 | 13 072 | 13 201 | 13 251 | 14 299 | 11 644 | 10 870 | 12 312 |
| Cons & prof serv: Business and advisory services | 354 | 18 | 57 | 20 | 66 | 119 | 30 | 31 | 32 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 118 | 598 | 227 | 703 | 702 | 413 | 700 | 928 | 977 |
| Contractors | 1 208 | 1 382 | 488 | 364 | 539 | 1 528 | 1 743 | 1 306 | 1 374 |
| Agency and support / outsourced services | 13 693 | 3 267 | 2 239 | 6 819 | 4 829 | 3 159 | 6 589 | 6 675 | 6 816 |
| Entertainment | 217 | 122 | 163 | 209 | 209 | 287 | 242 | 260 | 268 |
| Fleet services (incl. govt motor transport) | 6 204 | 6 222 | 8 157 | 6 666 | 6 666 | 4 721 | 8 141 | 8 624 | 8 942 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 59 | - | 1 | 16 | - | - | - | - | - |
| Inventory: Learner and teacher support material | 41 | 33 | 28 | 69 | - | - | - | - | - |
| Inventory: Materials and supplies | 54 | 172 | 42 | 38 | - | - | - | - | - |
| Inventory: Medical supplies | 1 | 4 | 2 | 46 | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medcas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 358 | 241 | 860 | 1 086 | 1 205 | 1 042 | 1 326 | 1 364 | 1 431 |
| Consumable: Stationery, printing and office supplies | 1 857 | 2 531 | 2 602 | 3 777 | 3 692 | 3 176 | 4 114 | 4 083 | 4 212 |
| Operating leases | 3 976 | 2 290 | 2 676 | 4 099 | 3 932 | 2 986 | 3 926 | 4 093 | 4 242 |
| Property payments | 978 | 1 075 | 2 418 | 2 322 | 2 322 | 1 493 | 1 338 | 1 407 | 1 477 |
| Transport provided: Departmental activity | 79 | 68 | 252 | - | - | 251 | - | - | - |
| Travel and subsistence | 5 911 | 5 927 | 5 928 | 6 333 | 5 975 | 5 352 | 6 416 | 6 511 | 6 576 |
| Training and development | 89 | 1 616 | 724 | 2 460 | 1 934 | 1 825 | 2 672 | 2 731 | 2 958 |
| Operating payments | 2 014 | 2 501 | 1 728 | 1 442 | 1 463 | 1 539 | 1 439 | 1 522 | 1 548 |
| Venues and facilities | 529 | 146 | 291 | 105 | 98 | - | 212 | 218 | 225 |
| Rental and hiring | - | - | 17 | - | 5 | 606 | - | - | - |
| Interest and rent on land | - | 172 | 8 | - | - | - | - | - | - |
| Interest | - | 172 | 8 | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 3 676 | 5 164 | 4 450 | 1 677 | 4 387 | 5 922 | 4 217 | 4 473 | 4 651 |
| Provinces and municipalities | 169 | 369 | 269 | 155 | 187 | 264 | 193 | 198 | 196 |
| Provinces | 169 | 369 | 269 | 155 | 187 | 264 | 193 | 198 | 196 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 169 | 369 | 269 | 155 | 187 | 264 | 193 | 198 | 196 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 375 | 394 | 416 | 528 | 528 | 528 | 520 | 544 | 552 |
| Social security funds | - | - | - | 74 | 74 | - | 40 | 40 | 42 |
| Provide list of entities receiving transfers | 375 | 394 | 416 | 454 | 454 | 528 | 480 | 504 | 510 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | 409 | - | 827 | 874 | 100 | 106 | 111 |
| Households | 3 132 | 4 401 | 3 356 | 994 | 2 845 | 4 256 | 3 404 | 3 625 | 3 792 |
| Social benefits | 1 336 | 2 685 | 1 534 | 994 | 2 845 | 4 256 | 1 065 | 1 178 | 1 223 |
| Other transfers to households | 1 796 | 1 716 | 1 822 | - | - | - | 2 339 | 2 447 | 2 569 |
| Payments for capital assets | 29 673 | 23 271 | 30 170 | 23 782 | 22 932 | 22 455 | 19 087 | 21 435 | 21 854 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 28 742 | 19 378 | 24 936 | 19 782 | 18 932 | 17 994 | 14 916 | 17 039 | 17 225 |
| Transport equipment | 16 055 | 9 468 | 7 852 | 9 945 | 9 322 | 9 322 | 6 341 | 7 052 | 7 086 |
| Other machinery and equipment | 12 687 | 9 910 | 17 084 | 9 837 | 9 610 | 8 672 | 8 575 | 9 987 | 10 139 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 931 | 3 893 | 5 234 | 4 000 | 4 000 | 4 461 | 4 171 | 4 396 | 4 629 |
| Payments for financial assets | - | 11 | - | - | - | - | - | - | - |
| Total | 273 601 | 285 966 | 323 641 | 332 381 | 331 849 | 330 300 | 350 737 | 372 776 | 394 683 |

Table 14.D : Payments and estimates by economic classification: Property Management

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 87 295 | 78 085 | 73 056 | 130 335 | 130 372 | 117 222 | 122 813 | 119 307 | 126 322 |
| Compensation of employees | 29 143 | 36 567 | 43 316 | 41 142 | 42 817 | 44 188 | 45 556 | 48 884 | 52 049 |
| Salaries and wages | 25 016 | 31 733 | 37 694 | 35 140 | 36 815 | 38 348 | 39 027 | 42 014 | 44 780 |
| Social contributions | 4 127 | 4 834 | 5 622 | 6 002 | 6 002 | 5 840 | 6 529 | 6 870 | 7 269 |
| Goods and services | 58 152 | 41 512 | 29 740 | 89 193 | 87 555 | 73 034 | 77 257 | 70 423 | 74 273 |
| Administrative fees | 5 | 19 | 119 | 299 | 549 | 635 | 557 | 602 | 624 |
| Advertising | 145 | 173 | 158 | 167 | 167 | 261 | 206 | 207 | 228 |
| Assets less than the capitalisation threshold | 21 | 75 | 6 | 96 | 96 | 62 | 101 | 100 | 105 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 42 | 21 | 14 | 26 | 26 | 10 | 18 | 19 | 19 |
| Communication (G&S) | 70 | 100 | 142 | 111 | 148 | 218 | 259 | 266 | 280 |
| Computer services | 861 | 135 | 5 238 | 25 134 | 25 184 | 15 188 | 228 | 236 | 250 |
| Cons & prof serv: Business and advisory services | 196 | 268 | 215 | 216 | 324 | 178 | 308 | 322 | 338 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 102 | 466 | 1 | 879 | 879 | 776 | 616 | 706 | 779 |
| Contractors | 15 | - | 20 | - | 2 | 11 | - | - | - |
| Agency and support / outsourced services | 50 467 | 32 183 | 6 984 | 54 467 | 36 220 | 35 584 | 50 113 | 42 482 | 44 726 |
| Entertainment | 10 | 11 | 8 | 15 | 15 | 10 | 16 | 17 | 20 |
| Fleet services (incl. govt motor transport) | 20 | 55 | 45 | 131 | 131 | 128 | 81 | 98 | 106 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 1 | 4 | 1 | - | - | - | - | - | - |
| Inventory: Medical supplies | 3 | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 50 | 35 | 416 | 23 | 393 | 225 | 407 | 420 | 531 |
| Consumable: Stationery, printing and office supplies | 114 | 278 | 11 | 151 | 47 | 20 | 54 | 63 | 68 |
| Operating leases | 2 857 | 903 | 11 | 107 | 107 | 91 | 113 | 118 | 158 |
| Property payments | 1 281 | 1 830 | 10 022 | 273 | 15 630 | 12 706 | 16 521 | 17 261 | 18 115 |
| Transport provided: Departmental activity | 4 | - | - | - | - | - | - | - | - |
| Travel and subsistence | 1 599 | 1 330 | 1 325 | 1 519 | 1 519 | 1 510 | 1 781 | 1 885 | 2 068 |
| Training and development | 6 | 7 | 40 | 403 | 312 | 148 | 472 | 506 | 527 |
| Operating payments | 281 | 76 | 122 | 57 | 57 | 100 | 59 | 61 | 70 |
| Venues and facilities | 2 | 29 | - | 146 | 71 | - | 100 | 97 | 100 |
| Rental and hiring | - | 3 514 | 4 842 | 4 973 | 5 678 | 5 173 | 5 247 | 4 957 | 5 161 |
| Interest and rent on land | - | 6 | - | - | - | - | - | - | - |
| Interest | - | 6 | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 492 948 | 395 814 | 467 064 | 484 990 | 484 990 | 499 525 | 507 097 | 533 966 | 561 908 |
| Provinces and municipalities | 492 767 | 395 743 | 466 799 | 484 955 | 484 955 | 499 455 | 507 062 | 533 931 | 561 873 |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | 492 767 | 395 743 | 466 799 | 484 955 | 484 955 | 499 455 | 507 062 | 533 931 | 561 873 |
| Municipalities | 492 767 | 395 743 | 466 799 | 484 955 | 484 955 | 499 455 | 507 062 | 533 931 | 561 873 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | 5 | 5 | 5 | 5 | 5 | 5 |
| Social security funds | - | - | - | 5 | 5 | 5 | 5 | 5 | 5 |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 181 | 71 | 265 | 30 | 30 | 65 | 30 | 30 | 30 |
| Social benefits | 181 | 71 | 265 | 30 | 30 | 65 | 30 | 30 | 30 |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 223 | 436 | 296 | 366 | 329 | 111 | 179 | 208 | 363 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 223 | 436 | 296 | 366 | 329 | 111 | 179 | 208 | 363 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 223 | 436 | 296 | 366 | 329 | 111 | 179 | 208 | 363 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 580 466 | 474 335 | 540 416 | 615 691 | 615 691 | 616 858 | 630 089 | 653 481 | 688 593 |

Table 14.E : Payments and estimates by economic classification: Provision of Buildings, Structures and Equipment

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 270 974 | 290 004 | 317 047 | 339 254 | 340 997 | 343 934 | 334 959 | 354 846 | 374 706 |
| Compensation of employees | 191 401 | 203 931 | 218 938 | 237 653 | 234 717 | 229 656 | 251 609 | 269 282 | 286 117 |
| Salaries and wages | 162 011 | 173 726 | 189 022 | 205 203 | 202 367 | 199 207 | 217 640 | 233 414 | 247 281 |
| Social contributions | 29 390 | 30 205 | 29 916 | 32 450 | 32 350 | 30 449 | 33 969 | 35 868 | 38 836 |
| Goods and services | 79 573 | 86 020 | 98 105 | 101 601 | 106 279 | 114 277 | 83 350 | 85 564 | 88 589 |
| Administrative fees | 4 | 11 | 19 | 15 | 15 | 9 | 10 | 10 | 10 |
| Advertising | 2 850 | 2 141 | 2 313 | 1 983 | 1 983 | 2 022 | 2 029 | 2 149 | 2 118 |
| Assets less than the capitalisation threshold | 83 | 690 | 371 | 394 | 608 | 1 655 | 257 | 179 | 183 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 73 | 46 | 63 | 62 | 62 | 15 | 607 | 638 | 671 |
| Communication (G&S) | 248 | 403 | 282 | 649 | 866 | 675 | 861 | 882 | 896 |
| Computer services | 2 963 | 4 066 | 4 730 | 2 793 | 2 793 | 3 007 | 2 947 | 3 133 | 3 299 |
| Cons & prof serv: Business and advisory services | 35 | 33 | 14 | - | - | - | - | - | - |
| Cons & prof serv: Infras and planning | 1 741 | 158 | 376 | 386 | 386 | 107 | 407 | 228 | 240 |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 1 | - | 3 | - | - | - | - | - | - |
| Contractors | 7 402 | 10 847 | 9 072 | 7 785 | 10 243 | 10 978 | 6 020 | 6 517 | 4 605 |
| Agency and support / outsourced services | 4 962 | 6 592 | 14 742 | 2 907 | 9 456 | 11 750 | 9 129 | 11 041 | 13 456 |
| Entertainment | 14 | 20 | 33 | 27 | 27 | 25 | 18 | 20 | 20 |
| Fleet services (incl. govt motor transport) | 2 053 | 1 900 | 2 833 | 2 630 | 2 630 | 2 419 | 2 541 | 2 782 | 2 822 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | 14 | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 55 | 43 | 51 | 66 | - | - | - | - | - |
| Inventory: Learner and teacher support material | 48 | 59 | 19 | 64 | - | - | - | - | - |
| Inventory: Materials and supplies | 154 | 271 | 93 | 162 | - | - | - | - | - |
| Inventory: Medical supplies | 5 | - | - | 5 | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 1 921 | 1 289 | 2 540 | 2 293 | 2 517 | 2 048 | 2 843 | 3 061 | 3 002 |
| Consumable: Stationery, printing and office supplies | 1 019 | 529 | 526 | 697 | 773 | 735 | 910 | 950 | 1 071 |
| Operating leases | 1 759 | 625 | 480 | 564 | 535 | 416 | 473 | 557 | 526 |
| Property payments | 36 488 | 39 217 | 46 289 | 35 908 | 37 267 | 44 410 | 38 342 | 40 083 | 42 136 |
| Transport provided: Departmental activity | - | - | - | 37 | 15 | - | 23 | 24 | 25 |
| Travel and subsistence | 9 317 | 8 480 | 7 144 | 8 083 | 8 014 | 6 873 | 8 033 | 8 588 | 8 587 |
| Training and development | 4 805 | 6 047 | 5 295 | 12 972 | 27 049 | 26 597 | 7 029 | 3 779 | 3 965 |
| Operating payments | 1 562 | 2 553 | 803 | 640 | 699 | 473 | 474 | 525 | 517 |
| Venues and facilities | 11 | - | - | 479 | 279 | - | 284 | 299 | 315 |
| Rental and hiring | - | - | - | 20 000 | 62 | 63 | 113 | 119 | 125 |
| Interest and rent on land | - | 53 | 4 | - | 1 | 1 | - | - | - |
| Interest | - | 53 | 4 | - | 1 | 1 | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 3 362 | 4 727 | 4 861 | 1 442 | 3 236 | 5 231 | 1 242 | 1 381 | 1 185 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | 1 | 7 | 55 | 55 | 26 | 56 | 57 | 28 |
| Social security funds | - | 1 | 7 | 55 | 55 | 25 | 56 | 57 | 28 |
| Provide list of entities receiving transfers | - | - | - | - | - | 1 | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 3 362 | 4 726 | 4 854 | 1 387 | 3 181 | 5 205 | 1 186 | 1 324 | 1 157 |
| Social benefits | 3 362 | 4 726 | 4 854 | 1 387 | 3 181 | 4 875 | 1 186 | 1 324 | 1 157 |
| Other transfers to households | - | - | - | - | - | 330 | - | - | - |
| Payments for capital assets | 43 485 | 78 180 | 84 288 | 80 593 | 99 990 | 95 765 | 72 639 | 67 298 | 67 416 |
| Buildings and other fixed structures | 42 669 | 76 886 | 74 773 | 78 934 | 98 548 | 94 461 | 71 373 | 66 318 | 66 225 |
| Buildings | 42 669 | 76 886 | 74 773 | 78 934 | 98 548 | 94 461 | 71 373 | 66 318 | 66 225 |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 816 | 1 294 | 9 515 | 1 659 | 1 442 | 1 304 | 1 104 | 980 | 1 191 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 816 | 1 294 | 9 515 | 1 659 | 1 442 | 1 304 | 1 104 | 980 | 1 191 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | 162 | - | - |
| Payments for financial assets | 10 380 | 99 | - | - | - | - | - | - | - |
| Total | 328 201 | 373 010 | 406 196 | 421 289 | 444 223 | 444 930 | 408 840 | 423 525 | 443 307 |

Table 14.F : Payments and estimates by economic classification: Conditional grants

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|--------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 4 683 | 5 292 | 3 000 | 3 168 | 3 168 | 3 168 | 3 057 | - | - |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Salaries and wages | - | - | - | - | - | - | - | - | - |
| Social contributions | - | - | - | - | - | - | - | - | - |
| Goods and services | 4 683 | 5 292 | 3 000 | 3 168 | 3 168 | 3 168 | 3 057 | - | - |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | - | - | - | - | - | - | - | - | - |
| Assets less than the capitalisation threshold | - | - | - | - | - | - | - | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | - | - | - | - | - | - | - | - |
| Communication (G&S) | - | - | - | - | - | - | - | - | - |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | - | - | - | - | - | - | - | - | - |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | - | - | - | - | - | - | - |
| Consumable: Stationery, printing and office supplies | - | - | - | - | - | - | - | - | - |
| Operating leases | - | - | - | - | - | - | - | - | - |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | - | - | - | - | - | - | - | - | - |
| Training and development | 4 683 | 5 292 | 3 000 | 3 168 | 3 168 | 3 168 | 3 057 | - | - |
| Operating payments | - | - | - | - | - | - | - | - | - |
| Venues and facilities | - | - | - | - | - | - | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 489 480 | 402 443 | - | - | - | - | - | - | - |
| Provinces and municipalities | 489 480 | 402 443 | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | 489 480 | 402 443 | - | - | - | - | - | - | - |
| Municipalities | 489 480 | 402 443 | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 494 163 | 407 735 | 3 000 | 3 168 | 3 168 | 3 168 | 3 057 | - | - |

Table 14.G : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 4 683 | 5 292 | 3 000 | 3 168 | 3 168 | 3 168 | 3 057 | - | - |
| Goods and services | 4 683 | 5 292 | 3 000 | 3 168 | 3 168 | 3 168 | 3 057 | - | - |
| <i>Training and development</i> | 4 683 | 5 292 | 3 000 | 3 168 | 3 168 | 3 168 | 3 057 | - | - |
| Transfers and subsidies to | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 4 683 | 5 292 | 3 000 | 3 168 | 3 168 | 3 168 | 3 057 | - | - |

Table 14.H : Payments and estimates by economic classification: Devolution of Property Rate Funds Grant

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | - | - | - | - | - | - | - | - |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Goods and services | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 489 480 | 402 443 | - | - | - | - | - | - | - |
| Provinces and municipalities | 489 480 | 402 443 | - | - | - | - | - | - | - |
| Municipalities | 489 480 | 402 443 | - | - | - | - | - | - | - |
| Municipalities | 489 480 | 402 443 | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 489 480 | 402 443 | - | - | - | - | - | - | - |

Table 14.1 : Public Works - Payments of infrastructure by category

| Project name | Municipality / Region | Type of infrastructure | Project duration | | Source of funding | Budget programme name | Targeted number of jobs for 2015/16 | Total project cost | Expenditure to date from previous years | Total available | MTEF Forward estimates | |
|--|-----------------------|--|-------------------|-------------------|-------------------|-----------------------|-------------------------------------|--------------------|---|-----------------|------------------------|---------|
| | | | Date: Start | Date: Finish | | | | | | | 2016/17 | 2017/18 |
| R thousands | | | | | | | | | | | | |
| Existing infrastructure assets | | School - primary/ secondary/ specialised; admin block; water; electricity; sanitation/toilet; fencing etc. | | | | | | | | | | |
| <i>of which:</i> | | | | | | | | | | | | |
| Maintenance and repair: Current | | | | | | | | | | | | |
| Maintenance and repairs | eThekwini | Various | Ongoing | Ongoing | Equitable share | Programme 3 | - | 273 171 | 96 036 | 53 980 | 58 474 | 62 468 |
| Maintenance and repairs | Msunduzi | Various | Ongoing | Ongoing | Equitable share | Programme 3 | - | - | - | 6 000 | 6 300 | 4 400 |
| Maintenance and repairs | Umlandi | Various | Ongoing | Ongoing | Equitable share | Programme 3 | - | - | - | 1 500 | 1 575 | 1 100 |
| Maintenance and repairs | Emmabithi/Ladysmith | Various | Ongoing | Ongoing | Equitable share | Programme 3 | - | - | - | 1 500 | 1 575 | 1 100 |
| Upgrades and additions: Capital | | | | | | | | | | | | |
| eThekwini regional office | eThekwini | Underground water services | 01 April 2015 | 09 July 2016 | Equitable share | Programme 3 | - | 216 248 | 75 357 | 31 937 | 35 623 | 42 856 |
| uMgungundlovu district offices | Msunduzi | Replacement of roof | 05 January 2015 | 08 September 2016 | Equitable share | Programme 3 | - | 3 280 | 81 | 1 290 | 328 | - |
| Head office - phase 1/2/3 | Msunduzi | Upgrades to existing office | 17 July 2012 | 18 December 2017 | Equitable share | Programme 3 | - | 5 500 | - | 2 881 | 2 450 | - |
| Uthukela district office | Uthukela | Additions to existing offices | 30 June 2014 | 30 June 2016 | Equitable share | Programme 3 | - | 180 000 | 72 456 | 22 189 | 21 599 | 42 440 |
| Zululand district office (Vryheid depot) | Umlandi | Upgrade and additions | 30 October 2014 | 30 October 2016 | Equitable share | Programme 3 | - | 9 000 | 1 272 | 2 000 | 2 328 | - |
| LA Building - Umlandi Campus | Umlandi | Upgrade electricity supply to campus from municipal supply | 14 November 2013 | 28 February 2015 | Equitable share | Programme 3 | - | 10 500 | 511 | 1 500 | 7 719 | - |
| eThekwini region office | eThekwini | Installation of security infrastructure | 29 September 2014 | 27 March 2018 | Equitable share | Programme 3 | - | 1 300 | 1 037 | 190 | - | - |
| eThekwini region office | eThekwini | Upgrading MEC's Office | 25 April 2014 | 22 September 2015 | Equitable share | Programme 3 | - | 3 150 | - | 1 535 | 1 199 | 416 |
| Refurbishment and rehabilitation: Capital | | | | | | | | | | | | |
| LA Building - Umlandi Campus | Umlandi | Electricity | 30 April 2012 | 30 April 2017 | Equitable share | Programme 3 | - | 56 923 | 20 679 | 16 043 | 16 551 | 15 212 |
| LA Building - Umlandi Campus | Umlandi | External maintenance of landscape | 02 January 2013 | 31 December 2016 | Equitable share | Programme 3 | - | 13 059 | 9 427 | 3 667 | 3 667 | 3 546 |
| LA Building - Umlandi Campus | Umlandi | Upgrade of eight lifts | 26 May 2014 | 26 May 2015 | Equitable share | Programme 3 | - | 10 664 | 4 163 | 2 400 | 1 665 | - |
| LA Building - Umlandi Campus | Umlandi | LA Building - Umlandi Campus-New Replacement Contract 045093 | 30 June 2015 | 30 June 2018 | Equitable share | Programme 3 | - | 6 000 | 6 958 | 1 300 | - | - |
| LA Building - Umlandi Campus | Umlandi | LA Building - Upgrade water valves, etc | 20 January 2015 | 20 January 2018 | Equitable share | Programme 3 | - | 11 500 | - | 3 647 | 3 900 | 3 833 |
| LA Building - Umlandi Campus | Umlandi | LA Building - Renew palisade fencing | 01 April 2014 | 30 July 2015 | Equitable share | Programme 3 | - | 13 200 | - | 3 500 | 7 319 | 7 833 |
| New infrastructure assets: Capital | | | | | | | | | | | | |
| <i>of which:</i> | | | | | | | | | | | | |
| Umlazi | Emmabithi/Ladysmith | Construction of new office | 31 January 2012 | 31 January 2015 | Equitable share | Programme 3 | - | 56 969 | 10 510 | 23 393 | 14 144 | 8 157 |
| Southern region - offices | Msunduzi | Completion of contract | 15 January 2015 | 18 September 2016 | Equitable share | Programme 3 | - | 14 500 | 9 148 | 7 417 | - | - |
| Ilembe district office | Ilembe | Construction of new office | 13 July 2015 | 07 July 2017 | Equitable share | Programme 3 | - | 5 069 | 57 | 4 512 | 500 | - |
| eThekwini regional office | eThekwini | Replacement of two lifts | 15 January 2015 | 12 October 2015 | Equitable share | Programme 3 | - | 27 000 | 1 305 | 4 494 | 12 744 | 8 157 |
| Southern region | Msunduzi | New canteen | 09 February 2015 | 04 February 2017 | Equitable share | Programme 3 | - | 1 800 | - | 720 | - | - |
| Southern region | Msunduzi | Construction of a guardhouse | 29 April 2014 | 15 August 2015 | Equitable share | Programme 3 | - | 7 000 | - | 6 000 | 900 | - |
| Infrastructure transfers | | | | | | | | | | | | |
| <i>of which:</i> | | | | | | | | | | | | |
| Infrastructure transfers: Current | | | | | | | | | | | | |
| Infrastructure transfers: Capital | | | | | | | | | | | | |
| Infrastructure: Payments for financial assets | | | | | | | | | | | | |
| Infrastructure: Leases | | | | | | | | | | | | |
| Total | | | | | | | | | | | | |
| Capital infrastructure | | | | | | | | | | | | |
| Current infrastructure | | | | | | | | | | | | |

Table 14.J : Summary of transfers to local government

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | 281 849 | 195 659 | 239 185 | 269 459 | 269 459 | 234 476 | 221 809 | 235 842 | 249 018 |
| Total: Ugu Municipalities | 8 336 | 8 840 | 11 605 | 9 117 | 9 117 | 2 631 | 14 961 | 15 499 | 16 061 |
| B KZN211 Vulamehlo | 1 315 | 1 964 | 2 076 | 1 472 | 1 472 | 4 | 1 714 | 1 748 | 1 783 |
| B KZN212 Umdoni | 308 | 405 | 399 | 344 | 344 | 1 223 | 1 376 | 1 403 | 1 432 |
| B KZN213 Umzumbe | 1 430 | 1 782 | 2 227 | 1 600 | 1 600 | 3 | 3 744 | 3 819 | 3 895 |
| B KZN214 uMuziwabantu | 1 942 | 2 016 | 3 531 | 2 172 | 2 172 | 4 | 4 344 | 4 561 | 4 789 |
| B KZN215 Ezinqoleni | 109 | 138 | 207 | 121 | 121 | 3 | 239 | 246 | 254 |
| B KZN216 Hibiscus Coast | 3 232 | 2 535 | 3 165 | 3 408 | 3 408 | 1 394 | 3 544 | 3 722 | 3 908 |
| C DC21 Ugu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | 61 920 | 56 494 | 63 812 | 77 939 | 77 939 | 93 995 | 82 080 | 86 716 | 91 606 |
| B KZN221 uMshwathi | 8 696 | 5 524 | 6 526 | 10 211 | 10 211 | 85 767 | 16 683 | 17 684 | 18 746 |
| B KZN222 uMngeni | 8 891 | 5 554 | 5 752 | 10 937 | 10 937 | 3 192 | 7 350 | 7 718 | 8 103 |
| B KZN223 Mpofana | 716 | 68 | - | 801 | 801 | - | 105 | 107 | 109 |
| B KZN224 Impendle | 148 | 153 | 202 | 165 | 165 | 5 | 263 | 276 | 289 |
| B KZN225 Msunduzi | 42 750 | 44 662 | 50 698 | 54 975 | 54 975 | 196 | 56 993 | 60 231 | 63 646 |
| B KZN226 Mkhambathini | 713 | 526 | 591 | 797 | 797 | 4 400 | 630 | 643 | 655 |
| B KZN227 Richmond | 6 | 7 | 43 | 53 | 53 | 435 | 56 | 57 | 58 |
| C DC22 uMgungundlovu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Uthukela Municipalities | 20 453 | 24 476 | 30 858 | 21 985 | 21 985 | 35 807 | 39 130 | 41 103 | 43 180 |
| B KZN232 Emnambithi/Ladysmith | 12 901 | 16 771 | 22 218 | 14 670 | 14 670 | 17 398 | 15 876 | 16 829 | 17 838 |
| B KZN233 Indaka | 1 378 | 1 050 | 1 301 | 1 446 | 1 446 | 1 651 | 1 729 | 1 764 | 1 799 |
| B KZN234 Umtshezi | 3 441 | 3 521 | 4 584 | 3 784 | 3 784 | 12 188 | 13 440 | 14 112 | 14 818 |
| B KZN235 Okhahlamba | 1 581 | 1 521 | 1 652 | 876 | 876 | 1 770 | 5 040 | 5 292 | 5 557 |
| B KZN236 Imbabazane | 1 152 | 1 613 | 1 103 | 1 209 | 1 209 | 2 800 | 3 045 | 3 106 | 3 168 |
| C DC23 Uthukela District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | 20 497 | 17 925 | 20 920 | 22 900 | 22 900 | 25 647 | 26 718 | 27 723 | 28 773 |
| B KZN241 Endumeni | 9 257 | 8 000 | 8 841 | 9 595 | 9 595 | 7 620 | 7 707 | 8 170 | 8 660 |
| B KZN242 Nqutu | 6 294 | 4 341 | 5 144 | 7 552 | 7 552 | 8 543 | 8 971 | 9 151 | 9 334 |
| B KZN244 Msinga | 2 081 | 2 482 | 3 468 | 2 611 | 2 611 | 4 480 | 4 669 | 4 763 | 4 858 |
| B KZN245 Umvoti | 2 865 | 3 102 | 3 467 | 3 142 | 3 142 | 5 004 | 5 371 | 5 639 | 5 921 |
| C DC24 Umzinyathi District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | 8 218 | 21 437 | 8 672 | 8 629 | 8 629 | 12 313 | 10 839 | 11 300 | 11 780 |
| B KZN252 Newcastle | 5 904 | 18 569 | 5 065 | 6 199 | 6 199 | 6 075 | 4 096 | 4 301 | 4 516 |
| B KZN253 eMadiangeni | 1 316 | 1 923 | 2 496 | 1 382 | 1 382 | 2 477 | 2 730 | 2 785 | 2 840 |
| B KZN254 Dannhauser | 998 | 945 | 1 111 | 1 048 | 1 048 | 3 761 | 4 013 | 4 214 | 4 424 |
| C DC25 Amajuba District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | 23 397 | 20 725 | 25 210 | 23 999 | 23 999 | 39 590 | 36 543 | 38 360 | 41 519 |
| B KZN261 eDumbe | 3 916 | 4 631 | 2 431 | 4 296 | 4 296 | 1 471 | 3 150 | 3 213 | 3 277 |
| B KZN262 uPhongolo | 2 919 | 2 273 | 2 498 | 3 203 | 3 203 | 4 631 | 3 363 | 3 430 | 3 499 |
| B KZN263 Abaqulusi | 4 896 | 2 006 | 4 887 | 3 000 | 3 000 | 6 865 | 6 300 | 6 615 | 6 946 |
| B KZN265 Nongoma | 371 | 2 731 | 3 526 | 3 000 | 3 000 | 5 641 | 5 250 | 5 513 | 5 788 |
| B KZN266 Ulundi | 11 295 | 9 084 | 11 868 | 10 500 | 10 500 | 20 982 | 18 480 | 19 589 | 22 009 |
| C DC26 Zululand District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Umkhanyakude Municipalities | 9 312 | 11 838 | 14 786 | 9 545 | 9 545 | 21 401 | 23 397 | 24 173 | 24 980 |
| B KZN271 Umhlabuyalingana | 4 234 | 6 708 | 8 458 | 4 646 | 4 646 | 9 879 | 10 272 | 10 786 | 11 325 |
| B KZN272 Jozini | 1 769 | 2 244 | 2 323 | 2 034 | 2 034 | 6 267 | 5 565 | 5 676 | 5 790 |
| B KZN273 The Big 5 False Bay | 1 159 | 1 047 | 1 717 | 965 | 965 | 1 855 | 2 100 | 2 142 | 2 185 |
| B KZN274 Hlabisa | 822 | 1 036 | 1 058 | 1 000 | 1 000 | 339 | 3 150 | 3 213 | 3 277 |
| B KZN275 Mtubatuba | 1 328 | 803 | 1 230 | 900 | 900 | 3 061 | 2 310 | 2 356 | 2 403 |
| C DC27 Umkhanyakude District Municipality | - | - | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | 21 587 | 13 204 | 20 099 | 12 300 | 12 300 | 23 881 | 23 832 | 24 804 | 25 819 |
| B KZN281 Umfolozi | 3 418 | 950 | 735 | 1 000 | 1 000 | - | 520 | 530 | 541 |
| B KZN282 uMhlathuze | 7 525 | 4 719 | 10 720 | 5 000 | 5 000 | 10 240 | 10 712 | 11 248 | 11 810 |
| B KZN283 Ntambanana | 280 | 254 | 350 | 500 | 500 | 494 | 840 | 857 | 874 |
| B KZN284 uMlalazi | 5 812 | 3 898 | 2 134 | 2 000 | 2 000 | 4 327 | 3 360 | 3 427 | 3 496 |
| B KZN285 Mthonjaneni | 2 837 | 1 741 | 2 230 | 2 000 | 2 000 | 1 957 | 2 625 | 2 678 | 2 731 |
| B KZN286 Nkandla | 1 715 | 1 642 | 3 930 | 1 800 | 1 800 | 6 863 | 5 775 | 6 064 | 6 367 |
| C DC28 uThungulu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Ilembe Municipalities | 26 617 | 13 303 | 14 830 | 14 582 | 14 582 | 7 864 | 15 818 | 16 203 | 16 598 |
| B KZN291 Mandeni | 10 205 | 3 809 | 3 536 | 2 135 | 2 135 | 1 503 | 728 | 757 | 787 |
| B KZN292 KwaDukuza | 10 526 | 6 226 | 3 712 | 5 710 | 5 710 | 4 629 | 5 418 | 5 581 | 5 748 |
| B KZN293 Ndwedwe | 319 | 471 | 1 876 | 335 | 335 | 588 | 1 352 | 1 379 | 1 407 |
| B KZN294 Maphumulo | 5 567 | 2 797 | 5 706 | 6 402 | 6 402 | 1 144 | 8 320 | 8 486 | 8 656 |
| C DC29 Ilembe District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | 10 581 | 11 710 | 16 798 | 14 450 | 14 450 | 1 832 | 11 875 | 12 148 | 12 479 |
| B KZN431 Ingwe | 904 | 1 020 | 1 852 | 1 011 | 1 011 | - | 2 288 | 2 334 | 2 380 |
| B KZN432 Kwa Sani | 406 | 371 | 673 | 454 | 454 | 14 | 776 | 791 | 807 |
| B KZN433 Greater Kokstad | 7 219 | 7 365 | 8 091 | 8 457 | 8 457 | 761 | 816 | 833 | 849 |
| B KZN434 Ubuhlebezwe | 613 | 1 053 | 1 893 | 685 | 685 | 779 | 3 997 | 4 077 | 4 158 |
| B KZN435 Umzimkulu | 1 439 | 1 901 | 4 289 | 3 843 | 3 843 | 278 | 3 998 | 4 113 | 4 285 |
| C DC43 Harry Gwala District Municipality | - | - | - | - | - | - | - | - | - |
| Unallocated | - | 132 | 24 | 50 | 50 | 18 | 60 | 60 | 60 |
| Total | 492 767 | 395 743 | 466 799 | 484 955 | 484 955 | 499 455 | 507 062 | 533 931 | 561 873 |

VOTE 15

Arts and Culture

| | |
|---------------------------------|---|
| Operational budget | R 782 092 423 |
| MEC remuneration | R 1 821 577 |
| Total amount to be appropriated | R 783 914 000 |
| Responsible MEC | MEC for Arts, Culture, Sport and Recreation |
| Administering department | Arts and Culture |
| Accounting officer | Head: Arts and Culture |

1. Overview

Vision

The vision of the department is: *Prosperity and social cohesion through arts and culture.*

Mission statement

The department's mission is to *Provide world class services in arts and culture for the people of KwaZulu-Natal by:*

- Developing and promoting arts and culture in the province and mainstreaming its role in socio-economic development.
- Supporting interventions to develop arts and culture capacity in the province.
- Implementing social cohesion and moral regeneration programmes that contribute to the transformation of society and nation building.
- Developing and promoting previously marginalised languages and enhancing the linguistic diversity of the province.
- Collecting, preserving and providing archival, museum, library and other forms of information resources.

Strategic objectives

Strategic policy direction:

The strategic policy of the department is to ensure the cultural advancement of all the people of the province, and to encourage and assist emergent artists and to safeguard the history of the province. The following represent the department's strategic goals:

- Sound corporate governance and achievement of service delivery outcomes.
- Support for emerging entrepreneurs in the arts and culture sectors in order to contribute toward the creation of sustainable livelihoods for the people of the province.
- Social transformation and development through support to the arts and culture sectors in the province.
- Equitable access to quality library, information archive and museum services for the people of KZN.

Among others, the following strategic objectives are aligned to the strategic goals of the department:

- An effective policy and internal control environment.
- Leveraging of stakeholder engagements and partnerships in support of the department's mandate.
- Effective management of the organisation and its resources.

- Implementation of interventions that grow the arts and culture industry in the province while contributing to job creation and poverty alleviation.

Core functions

The core functions of the department encompass the development and promotion of arts, culture, museum, archive and library services.

Legislative mandates

The department is governed by the following pieces of legislation and policy directives:

- The Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Culture Promotion Act 1993 (Act No. 35 of 1993)
- Cultural Affairs Act 1989 (Act No. 65 of 1989)
- South African Geographical Names Council Act 1998 (Act No. 118 of 1998)
- National Language Policy Framework, 2003
- Pan South African Language Board Act 1995 (Act No. 59 of 1995)
- KwaZulu-Natal Parliamentary Official Languages Act 1998 (Act No. 10 of 1998)
- KwaZulu-Natal Libraries Act 1980 (Act No. 18 of 1980)
- Public Service Act 1994 (Act No. 103 of 1994, as amended) and Public Service Regulations of 2001
- Labour Relations Act 1995 (Act No. 66 of 1995)
- Employment Equity Act 1998 (Act No. 55 of 1998)
- Public Finance Management Act 1999 (Act No. 1 of 1999, as amended), and Treasury Regulations
- KZN Provincial Supply Chain Management Policy Framework of 2006
- Preferential Procurement Policy Framework Act 2000 (Act No. 5 of 2000)
- Intergovernmental Relations Framework Act 2005 (Act No. 13 of 2005)
- Natal Provincial Museum Ordinance (Ordinance 26 of 1973)
- KwaZulu-Natal Archives and Records Services Act (Act No. 8 of 2011)

Following the necessary consultations, it is envisaged that the Provincial Languages Bill will be ready for adoption in 2015/16.

2. Review of the 2014/15 financial year

Section 2 provides a review of 2014/15, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments.

Arts and culture

The department successfully hosted a number of events, such as the Reed Dance (*uMkhosi Womhlanga*), Freedom Day, Africa Day, Youth Day, King Shaka Celebrations, as well as the First Fruit Ceremony. The department continued to develop emerging artists and implemented various programmes, such as the anti-piracy music campaign, cultural exchange and research and policy development. Funds were transferred to 42 arts and culture institutions and various new transfers were introduced such as the KZN Music House, National Choral Music Awards, Pietermaritzburg Jazz Festival, etc. The department took over the operations of the Stable Theatre art centre as it ceased being a Section 21 entity (non-profit institution). Refurbishments to the Cathedral Peak campsite were completed, and renovations in respect of the RS Skinner campsite were undertaken. The department was allocated R42.500 million in the 2014/15 MTEF for the construction of the Arts and Culture Academy, which will contribute to the creative industry where creation of products and services is home-based as opposed to factory-based, as well as the development of practical and technical expertise of learners. Taking into account various challenges,

this allocation was re-scheduled to meet the revised time-frames of the construction plan. This resulted in a decrease of R37 million in 2015/16 from the original allocation of R42.500 million. The R37 million is now allocated over the outer years i.e., R3.500 million in 2016/17 and R33.500 million in 2017/18.

Language services

Surveys on the implementation of the Provincial Language Policy in district and local municipalities were conducted. Provision of translation, interpreting, editing and sign language services were provided on request of government departments and municipalities. New reading and writing clubs were established and writing materials were distributed to all clubs including correctional centres. Literature workshops and competitions on children's books were conducted in 11 districts. Poetry workshops and competitions were conducted in disadvantaged areas, as well as correctional centres. Support was provided to the KZN Provincial Geographic Names Committee through provision of administrative services during meetings.

Museum services

Extension of the Utrecht Museum was completed and designs for the Port Shepstone Museum were drawn. The construction of the Mpophomeni Eco Museum continued and it is anticipated to be completed in 2015. The department conducted four training sessions which took place in Pietermaritzburg, Newcastle, Durban and Port Shepstone. Time-Travel events were staged in Durban, Mpophomeni and two in Pietermaritzburg. Little progress was made in respect of digitising museum artefacts, such as the Zulu axe, spear, knobkerrie etc. (mentioned on page 665), due to challenges experienced with the sourcing of a service provider. This will be addressed in 2015/16.

Library services

The Radio Frequency Identification (RFID) system for library books was installed in six libraries, namely Ballito, Bessie Head (Pietermaritzburg), Richards Bay, Howick, Ladysmith and Newcastle libraries. The department completed tagging and conversion of library materials using the RFID system for library books. The department hosted the Annual Library, Archive, Museums and Languages Conference in November 2014 at the Albert Luthuli International Convention Centre (ICC) in Durban. Over 300 librarians from all provinces attended this event. The library infrastructure projects included the completion of the Ndumo and Nkungumathe study libraries. The construction of the Vulamehlo library is an ongoing project. The designs and specifications for the construction of the Imbali, Charlestown, Ingwavuma and Bruntville libraries were completed. The site for the construction of the Bilanyoni library was handed over to the contractor in December 2014. Transfers in respect of the construction of the Durban City mega-library (hereafter referred to as the mega-library) were temporarily withheld due to the termination of an agreement between the Metro and the appointed contractor, as a result of an appeal submitted by one of the tenderers. The department purchased seven mini-libraries for the blind and four vehicles for Ladysmith, Newcastle, uMhlathuze and Hibiscus Coast Municipalities for their community outreach programmes. The Africa Ignite story-telling project attracted good attendance in all libraries. These stories vary from being individual, communal, inspirational and cultural. A service provider providing free access to electronic books (e-books) was appointed in all libraries. The department transferred funds to all municipalities receiving the provincial grant and appointed provincial staff for the Ndumo, Qhudeneni, Maphumulo and Nkungumathe libraries.

Archives

The roll-out of the KZN Archives and Record Service Act was prioritised and implemented in September 2014 at the Newcastle, Richards Bay, Ugu and eThekweni libraries. The implementation of the Act was in collaboration with the KZN Archive and Record Service, KZN Deputy Information Officers and Records Managers Forum. The department completed the Mpumalanga Township Struggle Violence Project in celebration of 20 years of democracy. The archive box was launched at the Freedom Day celebration in April 2014. As part of the war-room package programme, 20 000 archive boxes were procured and distributed to war-rooms.

3. Outlook for the 2015/16 financial year

Section 3 looks at the key focus areas of 2015/16, outlining what the department is hoping to achieve during the year, as well as briefly looking at the challenges and proposed new developments.

The bulk of the department's budget allocation is allocated for provincialisation of libraries. In 2015/16, the department will resume transfers to the eThekweni Metro in respect of provincialisation funds, as well as the construction of the mega-library. In addition, the department will continue constructing libraries and providing library materials. In respect of arts and culture, the department will continue hosting its main events.

Arts and culture

The department will stage an Arts and Culture Awards Ceremony and cultural exchange programmes as part of its mandate. The department will continue hosting its main events such as Reed Dance (*uMkhosi Womhlanga*), Freedom Day, Africa Day, Youth Day, King Shaka Celebrations, and First Fruit Ceremony (*Umkhosi Woselwa*). Research will be undertaken on the arts strategy, which will guide the empowerment of artists in the province. The department's allocation in respect of the construction of the Arts and Culture Academy was re-scheduled in order to meet the time-frames of the construction plan, as previously mentioned. The construction of the academy will now span over the 2015/16 MTEF, with the bulk of the funding allocated in 2017/18.

Language services

The provision of translation, interpreting, editing and sign language services on request from government institutions will continue in 2015/16. Following the necessary consultations, the KZN Languages Bill is anticipated to be tabled in the Legislature in 2015/16. The KZN Provincial Geographical Naming Committee will continue reviewing names of streets, towns, etc., for recommendations to Cabinet.

Museum services

Time-Travel events will be held in uMthwalume, Mpophomeni, Kokstad and Richmond museums. The department will continue with the construction of the Port Shepstone museum. The department has targeted 3 000 items to be digitised in 2015/16, such as museum artefacts.

Library services

The department will continue to provide updated library material in all formats to 180 libraries across the province. Monitoring and evaluation visits will be undertaken to all libraries. The department has targeted 55 libraries to undergo stocktaking in 2015/16. The department anticipates completion of the construction of Imbali, Charlestown, Bilanyoni, Bruntville and Ingwavuma libraries over the MTEF. The department will continue to transfer funds to the eThekweni Metro as a contribution toward the construction of the mega-library, which is anticipated to be completed in 2019/20. The Community Library Services grant will continue to fund infrastructure projects such as the construction of the Vulamehlo, Imbali and Charlestown libraries, as well as the purchase of library materials. The department will provide seven additional libraries with specialised services for the blind, and will support the Family Literacy project and Africa Ignite story-telling projects. The department targets all libraries to have free internet access and to be automated on the SITA Library Information System (SLIMS) by the end of 2015/16.

Archives

The digitisation strategy for Archives will continue and will be finalised by the end of the year. The oral history programme will expand the community dialogue programmes and produce transcripts of oral history interviews for publication. The department will continue with the distribution of archive boxes to the community at ward level and will educate the community on the preservation of records. The provincial records management policy will be finalised and awareness campaigns will be conducted for the roll-out of the policy.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 15.1 provides the sources of funding for Vote 15 over the seven-year period 2011/12 to 2017/18. The table also compares actual and budgeted receipts against actual and budgeted payments. Details of departmental receipts are given in *Annexure – Vote 15: Arts and Culture*.

The department receives a provincial allocation in the form of equitable share and national conditional grant allocations in respect of the Community Library Services grant and the EPWP Integrated Grant for Provinces. It is noted that the EPWP Integrated Grant for Provinces was allocated in the 2012/13 Adjustments Estimate, therefore it is part of provincial cash resources as funds were received in 2012/13 (but related to 2011/12). Funding in respect of the EPWP Integrated Grant for Provinces has not been allocated in the outer years, at this stage.

Table 15.1 : Summary of receipts and financing

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Equitable share | 320 847 | 420 205 | 558 929 | 574 792 | 599 800 | 599 800 | 613 296 | 651 626 | 684 207 |
| Conditional grants | 48 971 | 48 619 | 63 695 | 124 856 | 124 856 | 124 856 | 159 696 | 164 273 | 176 737 |
| Community Library Services grant | 48 971 | 48 619 | 63 145 | 122 754 | 122 754 | 122 754 | 157 696 | 164 273 | 176 737 |
| EPWP Integrated Grant for Provinces | - | - | 550 | 2 102 | 2 102 | 2 102 | 2 000 | - | - |
| Total receipts | 369 818 | 468 824 | 622 624 | 699 648 | 724 656 | 724 656 | 772 992 | 815 899 | 860 944 |
| Total payments | 369 752 | 479 744 | 698 686 | 705 112 | 730 120 | 730 120 | 783 914 | 819 399 | 894 444 |
| Surplus/(Deficit) before financing | 66 | (10 920) | (76 062) | (5 464) | (5 464) | (5 464) | (10 922) | (3 500) | (33 500) |
| Financing | | | | | | | | | |
| of which | | | | | | | | | |
| Provincial roll-overs | - | - | - | - | - | - | - | - | - |
| Provincial cash resources | - | 11 033 | 68 402 | 5 464 | 5 464 | 5 464 | 10 922 | 3 500 | 33 500 |
| Surplus/(Deficit) after financing | 66 | 113 | (7 660) | - | - | - | - | - | - |

In 2011/12, the department under-spent by R66 000 as a result of minor delays in the construction of the Mbazwana library.

The department received R11.033 million from provincial cash resources in 2012/13 for the following:

- R1.568 million recovered from the initial contractor for the building of the Mbazwana library, whose contract was terminated due to non-performance.
- R50 000 from KZN Oils being a donation toward the department's service excellence awards.
- R410 000 from the Hibiscus Coast Municipality for the installation of air-conditioning at the KwaNdwalane library.
- R5.404 million allocated to assist the department with spending pressures associated with the department's main events such as the Reed Dance, Africa Day Celebrations, etc.
- R3.054 million for the higher than anticipated 2012 wage agreement.
- R547 000 was in respect of the EPWP Integrated Grant for Provinces.

The department under-spent by a minimal R113 000 in 2012/13. This was mainly as a result of delays in the filling of budgeted vacant posts due to difficulty in finding suitable candidates.

In 2013/14, the department received provincial cash resources of R68.402 million as follows:

- R31.696 million for the RFID system for library books.
- R1 million from the uMgungundlovu District Municipality in respect of various arts and culture projects to be held within the district.
- R60 000 from KZN Oils as a donation toward the department's service excellence awards.
- R2.302 million and R3.162 million in respect of the transfer to The Playhouse Company and KZN Philharmonic Orchestra, respectively, in order to increase their budget back to the original allocations (i.e. before the allocations were reduced due to the 2011 Census data updates of the equitable share formula).
- R29.182 million was received in respect of war-room packages. This was requested by the department as per the resolutions taken at the Cabinet *Lekgotla* held in February 2013.
- R1 million was received in respect of Operation *Sukuma Sakhe* (OSS) initiatives, as identified by the MEC.

Furthermore, in 2013/14, R10.500 million was suspended from Provincial Treasury's Strategic Cabinet Initiatives Fund. Of this, R1 million was for the Amambazo: The Musical, R4.500 million for the KZN Philharmonic Orchestra's participation in the South African French Season, and R5 million for the King and Us project. This was added to the department's equitable share in 2013/14. The over-expenditure of R7.660 million was due to the department under-budgeting for various events which it hosts, such as the East Griqualand Festival, Africa Day Celebrations, First Fruit ceremony (*Umkhosi Weswela*), etc.

In 2014/15, the department received additional funding of R5.464 million from provincial cash resources. Of this, R2.302 million was in respect of The Playhouse Company and R3.120 million was in respect of the KZN Philharmonic Orchestra in order to increase their transfers back to their original allocation. This has carry-through costs over the MTEF. Furthermore, the department's budget was increased by R25.008 million as follows:

- R11 million was suspended from Provincial Treasury in terms of the Strategic Cabinet Initiatives Fund. Of this, R1 million was for Amambazo: The Musical, R5 million for the National Choral Music Awards, and R5 million for the Royalty Soapie Awards.
- R2.008 million was suspended from the Department of Sport and Recreation (DOSR) in respect of the balance of the ministry funds that remained with the department after the two ministries were amalgamated in 2009. This will ease the administrative burden of having this budget split across two departments.
- R12 million was suspended from the Department of Economic Development, Tourism and Environmental Affairs (DEDTEA) for the movement of the KZN Music House to the department as a result of a directive from the Premier.

The department is anticipating to fully spend its 2014/15 allocation.

In 2015/16, the department's allocation in respect of the construction of the Arts and Culture Academy was re-scheduled in order to meet the time-frames of the construction plan. This resulted in a decrease of R37 million in 2015/16 from the original allocation of R42.500 million. This R37 million was allocated over the outer years, R3.500 million in 2016/17 and R33.500 million in 2017/18. The balance of the funds against provincial cash resources relate to carry-through funding in respect of The Playhouse Company and the KZN Philharmonic Orchestra in order to increase their transfers back to their original allocation, as mentioned above. Furthermore, the department has been allocated funding in respect of the EPWP Integrated Grant for Provinces in 2015/16.

4.2 Departmental receipts collection

Table 15.2 below indicates the estimated departmental receipts for Vote 15. The main revenue sources of the department are fees in respect of the cultural hall and two campsites which fall under its control, as well as funds received from public libraries for lost/stolen library material.

Details of departmental receipts are presented in *Annexure – Vote 15: Arts and Culture*.

Table 15.2 : Summary of departmental receipts collection

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|------------|------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 241 | 277 | 458 | 524 | 524 | 614 | 527 | 568 | 602 |
| Transfers received | 459 | 1 060 | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | 76 | 92 | 52 | 96 | 96 | 122 | 72 | 77 | 81 |
| Interest, dividends and rent on land | - | 10 | 48 | 1 | 1 | - | 4 | 5 | 6 |
| Sale of capital assets | - | - | 1 970 | - | - | - | 60 | 64 | 68 |
| Transactions in financial assets and liabilities | 1 871 | 316 | 707 | 94 | 94 | 94 | 142 | 151 | 160 |
| Total | 2 647 | 1 755 | 3 235 | 715 | 715 | 830 | 805 | 865 | 917 |

Revenue collected against *Sale of goods and services other than capital assets* is in respect of rentals for hiring of the department's hall and campsites, rent from officials occupying state houses, parking, monthly commission on PERSAL deductions such as insurance premiums and garnishee orders, etc. An increasing trend of revenue collection over the seven-year period is shown in Table 15.2, largely influenced by rental from occupying state houses. The demand of hiring campsites and the hall cannot be determined with accuracy, hence the 2015/16 MTEF projections are based on inflationary increments.

Transfers received reflect collections in 2011/12 and 2012/13 only, relating to contributions from the Hibiscus Coast Municipality for the air conditioning unit at KwaNdwalane, and uMgungundlovu District Municipality for arts and culture programmes undertaken by the department. These funds were made available to the department due to the lack of capacity and competency in municipalities to execute these programmes.

Fines, penalties and forfeits relates to fines collected by libraries for lost library material. The fluctuating trend over the seven-year period is due to the difficulty in predicting the number of library related offences, such as lost books.

Under *Interest, dividends and rent on land*, revenue is collected in respect of interest bearing debt, such as staff debt. This category is difficult to project with accuracy due to its uncertain nature.

The 2013/14 collection against *Sale of capital assets* relates to the disposal of redundant motor vehicles. Over the MTEF, the department projects to collect revenue through sales of obsolete office equipment.

Transactions in financial assets and liabilities relates to the recovery of over-paid salaries of ex-employees. In 2011/12, R1.568 million was recovered from the original contractor of the Mbazwana library project, due to the cancellation of the contract, which the contractor breached. The balance relates to the recovery of over-paid salaries in respect of ex-employees whose salaries were not discontinued when their employment was terminated. MTEF revenue projections are based on inflationary increments.

4.3 Donor funding – Nil

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in the *Annexure – Vote 15: Arts and Culture*.

5.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- National Treasury imposed fiscal consolidation cuts on the equitable share and conditional grant allocations of provinces for 2015/16 and 2016/17. In KZN, the bulk of the equitable share cut is absorbed by reducing the Contingency Reserve, stopping of the Strategic Cabinet Initiatives Fund, etc. As part of the fiscal consolidation, National Treasury has not provided any funding for the carry-through costs of the 2014 wage agreement, and the department therefore had to fund these by internal reprioritisation and lowering growth of non-essential item budgets.
- Provision has been made for the filling of vacant posts, while taking into account the moratorium on the filling of non-critical vacant posts. All inflation related increases are based on CPI projections.
- Provision was made for an inflationary wage adjustment of 5.6 per cent in 2015/16, 5.5 per cent in 2016/17 and 5 per cent for 2017/18. Provision was also made for the 1.5 per cent pay progression.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2014/15, will continue to be adhered to over the 2015/16 MTEF, in conjunction with National Treasury Instruction 01 of 2013/14: Cost-containment measures. However, the provincial cost-cutting measures have been updated to include those that were adopted by the Committee of HODs (COHODs) in December 2014, and an updated circular has been reissued to departments and public entities.

5.2 Additional allocations for the 2013/14 to 2015/16 MTEF

Table 15.3 shows the additional funding received by the department over the three MTEF periods: 2013/14, 2014/15 and 2015/16. Note that the table reflects only the provincial allocations and excludes additional allocations in respect of conditional grants. The purpose of such a table is two-fold. Firstly it shows the quantum of additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated.

The carry-through allocations for the 2013/14 and 2014/15 MTEF periods (i.e. for the financial year 2017/18) are based on the incremental percentage used in the 2015/16 MTEF.

Table 15.3 : Summary of additional provincial allocations for the 2013/14 to 2015/16 MTEF

| R thousand | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|--|----------------|-----------------|-----------------|-----------------|-----------------|
| 2013/14 MTEF period | (6 564) | (15 597) | (19 348) | (20 238) | (21 250) |
| Census data update and 1%, 2% and 3% baseline cuts | (7 564) | (15 597) | (19 348) | (20 238) | (21 250) |
| Radio Frequency ID for library books | 31 696 | - | - | - | - |
| Funds from uMgungundlovu DM received for various arts and culture events | 1 000 | - | - | - | - |
| 2014/15 MTEF period | | 6 364 | 49 753 | 7 797 | 8 187 |
| Playhouse Company - return to pre-cut levels | | 2 302 | 2 302 | 2 407 | 2 527 |
| Philharmonic Orchestra - return to pre-cut levels | | 3 162 | 3 120 | 3 263 | 3 426 |
| Arts and Culture Academy | | - | 42 500 | - | - |
| Carry-through of previous wage agreements | | 1 000 | 1 931 | 2 231 | 2 343 |
| Centralisation of external bursaries budget under OTP | | (100) | (100) | (104) | (109) |
| 2015/16 MTEF period | | | (22 792) | 18 417 | 49 163 |
| KZN Music House shifted from DEDTEA | | | 12 000 | 12 600 | 13 230 |
| Joint Ministry funds moved from DOSR | | | 2 108 | 2 213 | 2 324 |
| Arts and Culture Academy - re-allocation of funding over 15/16 MTEF | | | (37 000) | 3 500 | 33 500 |
| Decentralisation of bursaries budget | | | 100 | 104 | 109 |
| Total | (6 564) | (9 233) | 7 613 | 5 976 | 36 100 |

In the 2013/14 MTEF, National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced allocations as a result of the reduced equitable share allocations due to the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the department was a substantial reduction in the budget over the entire period. Also, the department received once-off funding in 2013/14 only, for the RFID system for library books and an amount of R1 million from the uMgungundlovu District Municipality in respect of various arts and culture projects held in the district.

In the 2014/15 MTEF, the department received additional funding with carry-through in respect of increases to The Playhouse Company and KZN Philharmonic Orchestra, in order to increase their transfers to their original allocations, as mentioned above. The department received substantial once-off funding in respect of the construction of the Arts and Culture Academy in 2015/16. Furthermore, the department received funding for previous years' wage agreements, and the allocation was reduced due to the centralisation of the external bursaries budget under the Office of the Premier (OTP).

The 2015/16 MTEF includes carry-through funds from DEDTEA in respect of the movement of the KZN Music House to the department as a result of a directive from the Premier. In addition, the department also received funds from DOSR for the balance of ministry funds which remained with the department after the two ministries were amalgamated in 2009, as previously mentioned. The department's allocation in respect of the construction of the Arts and Culture Academy was reduced by R37 million in 2015/16 due to the re-scheduling of funds to outer years of the MTEF in order to meet the time frames of the construction plan. Furthermore, funds which were moved to OTP in respect of the centralisation of external bursaries budget were moved back to the department.

5.3 Summary by programme and economic classification

Tables 15.4 and 15.5 provide a summary of payments and budgeted estimates by programme and economic classification, respectively, for the period 2011/12 to 2017/18. The programmes of the department are largely aligned to the uniform programme and budget structure for the Arts and Culture sector, except for the Heritage Resource Services sub-programme which falls under OTP.

There is a steady increase in actual spending and the budget over the seven-year period, as explained below the tables. The department is liable for the repayment of previous year's over-expenditure, resulting in a first charge against the department's budget in 2015/16 and 2016/17, and this is reflected under Programme 1: Administration against *Payments for financial assets*. This is shown below the total in Tables 15.4 and 15.5 below.

Table 15.4 : Summary of payments and estimates by programme: Arts and Culture

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 84 662 | 86 930 | 105 176 | 100 579 | 108 376 | 108 376 | 113 504 | 118 185 | 121 253 |
| 2. Cultural Affairs | 122 844 | 141 002 | 181 180 | 149 620 | 198 081 | 198 081 | 198 740 | 201 630 | 244 804 |
| 3. Library and Archive Services | 162 246 | 251 812 | 412 330 | 454 913 | 423 663 | 423 663 | 471 670 | 499 584 | 528 387 |
| Total | 369 752 | 479 744 | 698 686 | 705 112 | 730 120 | 730 120 | 783 914 | 819 399 | 894 444 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (3 830) | (3 830) | - |
| Baseline available for spending after 1st charge | 369 752 | 479 744 | 698 686 | 705 112 | 730 120 | 730 120 | 780 084 | 815 569 | 894 444 |

Table 15.5 : Summary of payments and estimates by economic classification: Arts and Culture

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 230 887 | 249 889 | 328 272 | 313 838 | 347 958 | 347 958 | 354 453 | 389 072 | 437 093 |
| Compensation of employees | 117 359 | 131 087 | 148 138 | 171 214 | 168 568 | 168 568 | 194 498 | 213 102 | 229 722 |
| Goods and services | 113 528 | 118 802 | 180 134 | 142 624 | 179 390 | 179 390 | 159 955 | 175 970 | 207 371 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 84 759 | 187 296 | 301 944 | 308 030 | 293 022 | 293 022 | 326 812 | 342 379 | 359 107 |
| Provinces and municipalities | 56 083 | 150 485 | 260 011 | 271 706 | 223 073 | 223 073 | 271 547 | 286 192 | 300 615 |
| Departmental agencies and accounts | 6 401 | 6 721 | 7 057 | 7 445 | 7 445 | 7 445 | 7 787 | 8 176 | 8 585 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 21 901 | 29 105 | 33 450 | 28 879 | 61 359 | 61 359 | 47 478 | 48 011 | 49 907 |
| Households | 374 | 985 | 1 426 | - | 1 145 | 1 145 | - | - | - |
| Payments for capital assets | 53 863 | 42 387 | 68 353 | 83 244 | 89 140 | 89 140 | 98 819 | 84 118 | 98 244 |
| Buildings and other fixed structures | 46 081 | 35 460 | 42 825 | 76 962 | 68 957 | 68 957 | 88 479 | 75 452 | 83 498 |
| Machinery and equipment | 7 685 | 6 927 | 25 216 | 6 282 | 20 103 | 20 103 | 10 340 | 8 666 | 14 746 |
| Heritage assets | 97 | - | 312 | - | 80 | 80 | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 243 | 172 | 117 | - | - | - | 3 830 | 3 830 | - |
| Total | 369 752 | 479 744 | 698 686 | 705 112 | 730 120 | 730 120 | 783 914 | 819 399 | 894 444 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (3 830) | (3 830) | - |
| Baseline available for spending after 1st charge | 369 752 | 479 744 | 698 686 | 705 112 | 730 120 | 730 120 | 780 084 | 815 569 | 894 444 |

The increase against Programme 1: Administration in 2013/14 can be attributed to payment for vehicles and a departmental server, ordered in 2012/13 but delivered in 2013/14. In addition, the department received R1 million in 2013/14 in respect of OSS, for projects identified by the MEC. The increase in the 2014/15 Adjusted Appropriation can be attributed to the shifting of funds from both Programmes 2 and 3 for centralisation of the internship budget under Programme 1. Furthermore, funds were reprioritised from Programme 3 to provide for higher than anticipated audit fees, as well as increased security and cleaning costs in respect of the department's district offices and art centres. The department received additional funding from DOSR in respect of the balance of ministry funds that remained with the department after the two ministries were amalgamated in 2009, as previously mentioned. The increase over the 2015/16 MTEF includes carry-through funds from DOSR and the return of funds, which were previously centralised under OTP for external bursaries.

Programme 2: Cultural Affairs reflects a steady increase from 2011/12 to 2013/14. The increase in 2013/14 relates to additional funding received for various transfers such as Amambazo: The Musical, KZN Philharmonic Orchestra's participation in the South African French Season, The King and Us, as well as funds in respect of the war-room packages. Furthermore, the department received additional funding in respect of The Playhouse Company and KZN Philharmonic Orchestra in order to increase their

budget to their original allocations. The substantial increase in the 2014/15 Adjusted Appropriation is due to the reprioritisation of funds from Programme 3 under *Transfers and subsidies to: Provinces and municipalities* for commitments from the previous year, such as the King and Us, and the payment of musical instruments, events/projects which exceeded their budget, such as the Reed Dance, and those which were under-budgeted for, such as the hosting of the Ugu Jazz Festival. This accounts for the increase against *Goods and services*, *Transfers and subsidies to: Non-profit institutions* and *Machinery and equipment*, as explained in detail below. Furthermore, the department received additional funding from Provincial Treasury's Strategic Cabinet Initiatives Fund for the Amambazo: The Musical, National Choral Awards, and Royalty Soapie Awards. In addition, the department received funds from the 2014/15 Adjusted Appropriation onward from DEDTEA for the movement of the KZN Music House to the department, as previously mentioned. The increase over the 2015/16 MTEF includes the re-scheduled funding in respect of the construction of the Arts and Culture Academy, with the bulk of the funding now being allocated in 2017/18.

The increase in 2012/13 against Programme 3: Library and Archive Services can be attributed to provincialisation funds for public libraries, which included funding for the eThekweni Metro and Msunduzi Municipality. In addition, the increase was due to the higher than anticipated 2012 wage agreement, and spending on the EPWP Integrated Grant for Provinces. The growth in 2013/14 is as a result of spending on the RFID system for library books, as well as war-room package programme funding. The decrease in the 2014/15 Adjusted Appropriation can be attributed to the reprioritisation of funds to both Programmes 1 and 2 for centralisation of the internship budget under Programme 1 and to offset spending pressures under Programme 2 against *Goods and services*, *Transfers and subsidies to: Non-profit institutions* and *Machinery and equipment*, as mentioned above. The increase over the 2015/16 MTEF is due to the increase in the Community Library Services grant and provincialisation funds.

Compensation of employees reflects strong growth from 2011/12 to 2013/14 due to the carry-through costs of previous wage agreements, as well as the filling of posts. The decrease in the 2014/15 Adjusted Appropriation is mainly attributed to delays in the filling of budgeted vacant posts due to lengthy recruitment processes, as mentioned above. The department reprioritised funds to *Goods and services*, *Transfers and subsidies to: Households* and *Machinery and equipment*. The increase over the MTEF provides for wage adjustments, the prioritised appointment of staff for libraries as part of the provincialisation process, including staff for the Stable Theatre art centre which has been taken over by department. Furthermore, the increase includes the appointment of art centre managers and administrative personnel in order for these art centres to be fully functional. In addition, the department has included the filling of critical posts, such as Senior and Deputy Manager: Executive Support and Senior Manager: SCM over the 2015/16 MTEF.

Goods and services includes the cost of the main events hosted by the department and the acquisition of library materials for public libraries. The increase in 2013/14 includes spending on the RFID system for library books. The increase in the 2014/15 Adjusted Appropriation can be attributed to the reprioritisation of funds from *Compensation of employees*, *Transfers and subsidies to: Provinces and municipalities*, *Transfers and subsidies to: Non-profit institutions* and *Buildings and other fixed structures*. The increase catered for higher than anticipated audit fees, increased security and cleaning costs of the department's district offices and art centres, hosting of the Reed Dance and payment of musical instruments and RFID system for library books. Furthermore, the increase catered for projects/events which were under-budgeted for such as Poetry Africa and International Translation Day. In addition, funds were received from DOSR in respect of the balance of the ministry funds, as previously mentioned. The increase over the 2015/16 MTEF is attributed to inflationary increments.

Transfers and subsidies to: Provinces and municipalities reflects transfers made to municipalities for library building projects, museum subsidies, and for the provincialisation of libraries and museums. The significant increase from 2012/13 relates to carry-through costs of the provincialisation of libraries and museums, as well as further transfers to the eThekweni Metro in respect of the mega-library. Also, the increase in 2012/13 was due to the increase of provincialisation transfers to Umtshezi Municipality, museum projects managed by municipalities such as the Carnegie art gallery, as well as revamping of the Gerhard Bhengu museum. Funds were also shifted from *Transfers and subsidies to: Non-profit*

institutions to Transfers and subsidies to: Provinces and municipalities to correct a payment to the Zululand District Municipality relating to art centre subsidies for the Indonsa art centre. The increase in 2013/14 is attributed to increases in provincialisation funding, as well as the adjustment of salaries for cyber cadets in affiliated public libraries. The decrease in the 2014/15 Adjusted Appropriation is largely as a result of the department's decision to withhold transfers to the eThekweni Metro in respect of provincialisation of libraries and the construction of the mega-library. Due to spending pressures experienced by the department as a result of commitments from the previous year, such as the King and Us project and the payment of musical instruments in respect of the war-room packages, events/projects which exceeded the budget, such as the Reed Dance, and those which were under-budgeted for, such as the hosting of the Ugu Jazz Festival, the department decided to withhold transfers to the Metro in respect of the provincialisation funding. Furthermore, the contract for the construction of the mega-library between the Metro and the appointed contractor was terminated as a result of an appeal submitted by one of the tenderers. The Metro will re-advertise the tender after the six-month cooling-off period is over. These funds were reprioritised to *Goods and services, Transfers and subsidies to: Non-profit institutions and Machinery and equipment*. The growth over the 2015/16 MTEF is due to inflationary increments and includes the continuation of transfers to the Metro in respect of the construction of the mega-library.

Transfers and subsidies to: Departmental agencies and accounts reflects transfer payments made to The Playhouse Company. The increase over the 2015/16 MTEF is due to inflationary increments.

Transfers and subsidies to: Non-profit institutions covers transfers made to the KZN Philharmonic Orchestra, arts councils, art centres and museums managed by Boards of Trustees. In addition, support is provided to various art organisations. The increase from 2011/12 to 2013/14 is mainly as a result of increased transfers to various organisations such as the KZN Philharmonic Orchestra, DCO Matiwane and Ushaka Marine, as well as the introduction of new transfers such as the Catalina Theatre, Ewushini art centre, Dolosfees Festival and Amantshontsho Ka Maskandi. The substantial increase in the 2014/15 Adjusted Appropriation is mainly attributed to the reprioritisation of funds from *Transfers and subsidies to: Provinces and municipalities* for the King and Us project which was a commitment from 2013/14 and the hosting of the Ugu Jazz Festival which was under-budgeted for. Furthermore, the increase included increases to transfers in respect of DCO Matiwane for the completion of the educational resource centre and the 1860 Heritage Centre: Documentation Centre for its expansion, as well as an introduction of a new transfer to Vukani Museum for full staffing and operational costs and the PMB Jazz Festival. Also, additional funding was received by the department from DEDTEA, continued over the MTEF for the movement of the KZN Music House to the department. The increase over the 2015/16 MTEF includes new transfers to the Durban School of Music, East Griqualand Festival, etc.

Transfers and subsidies to: Households relates to staff exit costs, which are difficult to budget for due to their unpredictable nature.

Buildings and other fixed structures fluctuates over the seven-year period. The decrease in 2012/13 can be attributed to the department's change in strategy, whereby funding was transferred to various municipalities for projects managed by the municipalities such as the Carnegie art gallery and Gerhard Bhengu museum. The substantial increase in the 2014/15 Main Appropriation is due to provision for the upgrade of four regional library depots, library head office buildings and various libraries such as Mpofana, Umtshezi, Hibiscus Coast and Abaqulusi. Also included in the increase is the construction of the Port Shepstone museum, Umzinyathi art centre, and various library building projects such as uMuziwabantu, Newcastle, Vulamehlo, uMngeni, and Umzumbe. The decrease in the 2014/15 Adjusted Appropriation is due to delays in identifying a site for the Umzumbe library, as well as delays in the appointment of contractors by the Department of Public Works (DOPW) to renovate the Dundee depot. These funds were reprioritised to *Compensation of employees, Goods and services and Machinery and equipment*. The increase in 2015/16 includes the EPWP Integrated Grant for Provinces funding for the construction of new art centres in Howick and Clermont, and this explains the decrease in 2016/17. The 2015/16 MTEF allocation provides for the construction of the Arts and Culture Academy, and the completion of renovations to RS Skinner campsite and Ladysmith art centre. Furthermore, the department will continue with the construction of libraries, such as Imbali, Charlestown, Bilanyoni, Bruntville and Ingwavuma.

The decrease against *Machinery and equipment* in 2012/13 was due to eight vehicles ordered but not delivered before year-end, as well as delays in the purchase of the departmental server. This contributed to the increase in 2013/14 when delivery and payment were made. The 2013/14 amount also included the purchase of musical instruments in respect of the war-room packages programme. The decrease in the 2014/15 Main Appropriation is due to the shifting of funds to *Goods and services* due to a change in SCOA classifications, whereby minor assets, such as office equipment, furniture and computer equipment, were moved to *Goods and services*. The increase in the 2014/15 Adjusted Appropriation is due to the reprioritisation of funds from *Transfers and subsidies to: Provinces and municipalities* and *Compensation of employees* for payment of musical instruments for the war-room package programme and vehicles ordered in 2013/14 but delivered in 2014/15, which explains the decrease in 2015/16. The low growth over the MTEF relates to the purchase of new vehicles and replacement of computers and furniture for staff appointed in prioritised posts. The increase also relates to the Community Library Services grant allocations for the upgrading of computer equipment in public libraries.

The department allocates the purchase of museum artefacts against *Payments for capital assets: Heritage assets*. The increase in 2013/14 relates to the purchase of South African historic artefacts, such as a Zulu axe, spear, knobkerrie, as well as a staff and war shield. These were purchased from a foreign auctioneer in London due to their historic value. The artefacts were placed in one of the provincial museums.

Spending against *Payments for financial assets* relate to the write-off of staff debts. In addition, the amounts in 2015/16 and 2016/17 are in respect of the first charge, as previously explained.

5.4 Summary of conditional grant payments and estimates

Tables 15.6 and 15.7 show the amounts allocated to the department in respect of the Community Library Services conditional grant and the EPWP Integrated Grant for Provinces. Note that the historical figures set out in Table 15.6 below reflect actual expenditure per grant, and should not be compared to those reflected in Table 15.1, which represent the actual receipts for each grant. Details of conditional grants are given in *Annexure – Vote 15: Arts and Culture*.

Table 15.6 : Summary of conditional grants payments and estimates by name

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Community Library Services grant | 49 444 | 48 633 | 63 440 | 122 754 | 122 754 | 122 754 | 157 696 | 164 273 | 176 737 |
| EPWP Integrated Grant for Provinces | - | 547 | 1 032 | 2 102 | 2 102 | 2 102 | 2 000 | - | - |
| Total | 49 444 | 49 180 | 64 472 | 124 856 | 124 856 | 124 856 | 159 696 | 164 273 | 176 737 |

Table 15.7 : Summary of conditional grants payments and estimates by economic classification

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 10 123 | 14 399 | 14 814 | 33 285 | 40 682 | 40 682 | 37 768 | 48 536 | 73 694 |
| Compensation of employees | - | - | - | 4 443 | 4 443 | 4 443 | 9 588 | 10 345 | 11 152 |
| Goods and services | 10 123 | 14 399 | 14 814 | 28 842 | 36 239 | 36 239 | 28 180 | 38 191 | 62 542 |
| Other | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 17 433 | 23 889 | 24 814 | 27 571 | 18 072 | 18 072 | 52 228 | 53 437 | 54 643 |
| Provinces and municipalities | 17 334 | 22 769 | 23 572 | 24 883 | 14 881 | 14 881 | 49 111 | 50 108 | 51 164 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 99 | 1 120 | 1 242 | 2 688 | 3 191 | 3 191 | 3 117 | 3 329 | 3 479 |
| Households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 21 888 | 10 892 | 24 844 | 64 000 | 66 102 | 66 102 | 69 700 | 62 300 | 48 400 |
| Buildings and other fixed structures | 19 347 | 8 847 | 23 169 | 60 000 | 62 102 | 62 102 | 65 700 | 58 300 | 38 400 |
| Machinery and equipment | 2 541 | 2 045 | 1 675 | 4 000 | 4 000 | 4 000 | 4 000 | 4 000 | 10 000 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 49 444 | 49 180 | 64 472 | 124 856 | 124 856 | 124 856 | 159 696 | 164 273 | 176 737 |

The Community Library Services grant increases steadily over the seven-year period. Spending in 2011/12 includes carry-through costs of the Mbazwana library. The EPWP Integrated Grant for Provinces was allocated from 2012/13 to 2015/16 and has not been allocated over the outer years of the MTEF, at this stage. The department changed the function of the EPWP Integrated Grant for Provinces funds from originally being for minor repairs and maintenance of art centres, libraries and museums to appointing volunteers to assist with the construction of the Vulamehlo library in 2014/15. This resulted in the department shifting funds from *Goods and services* to *Buildings and other fixed structures*. The department will use the EPWP Integrated Grant for Provinces for the construction of the Howick and Clermont art centres in 2015/16.

The substantial increase against *Compensation of employees* from 2015/16 onward is due to the appointment of the assistant and deputy manager to oversee the administration of the Community Library Services grant, the SLIMS administrators in regional libraries, as well as staff for the Vulamehlo, Qhuden, Maphumulo, Nkungumathe and Ndumo libraries as part of provincialisation.

The spending against *Goods and services* mainly relates to the purchase of library material, connectivity costs for internet access and the costs of implementing the SLIMS library control systems. The increase in the 2014/15 Adjusted Appropriation is due to the reprioritisation of funds from *Transfers and subsidies to: Provinces and municipalities* for the procurement of library books which were under-budgeted for. The allocation over the MTEF is according to the number of libraries which require library material and this is dependent on the number of libraries constructed over the MTEF.

Spending against *Transfers and subsidies to: Provinces and municipalities* is largely in respect of transfers to eThekweni Metro in respect of the construction of the mega-library. The decrease in the 2014/15 Adjusted Appropriation is due to the reprioritisation of these funds to *Goods and services*, as previously mentioned. Transfers in respect of the construction of the mega-library were withheld in 2014/15 due to the termination of an agreement between the Metro and the appointed contractor as a result of an appeal submitted by one of the tenderers, as previously mentioned. The increase over the 2015/16 MTEF is due to the continuation of transfers to the Metro in respect of the construction of the mega-library, as well as transfers to municipalities for payment of mobile library units and salaries of cyber cadets.

Transfers and subsidies to: Non-profit institutions caters for transfer payments in respect of the Family Literacy project, SA Library for the Blind and Africa Ignite. The low spending in 2011/12 is due to the department transferring funds to the Family Literacy project only. The increase in the 2014/15 Adjusted Appropriation is attributed to an increase in transfers in respect of Africa Ignite as a result of the expansion of the story-telling project. The increase over the 2015/16 MTEF is inflation related.

Spending in 2011/12 against *Buildings and other fixed structures* includes the completion of the Mbazwana library, as previously mentioned. The high in spending in 2013/14 includes the construction of the Nkungumathe, Vulamehlo, Qhuden, Maphumulo and Ndulinde libraries, as well as upgrades to libraries such as KwaMbonambi, Mtunzini, Howick, Maqongqo and Port Shepstone libraries. The increase in the 2014/15 Adjusted Appropriation is attributed to the change in function of the EPWP Integrated Grant for Provinces funds, as mentioned above. The increase in 2015/16 compared to the outer years is due to additional funding received in respect of the EPWP Integrated Grant for Provinces which will be used for the construction of the Howick and Clermont art centres. The decrease in the outer years can be attributed to the department's decision to put on hold the construction of new libraries and to prioritise appointment of staff and operational requirements of completed libraries in order to make these libraries functional. The department will continue with the construction of the Vulamehlo, Imbali, Charlestown, Ingwavuma and Bruntville libraries over the 2015/16 MTEF.

Spending against *Machinery and equipment* is mainly in respect of mobile library buses and, purchase and upgrading of computer equipment in libraries. The spending from 2014/15 to 2016/17 remains constant and relates to the ongoing conversion to new SLIMS system and upgrading of computer equipment in public libraries. The substantial increase in 2017/18 can be attributed to the purchase of new equipment and mobile library buses for completed libraries.

5.5 Summary of infrastructure payments and estimates

Table 15.8 below shows the amounts allocated by the department in respect of infrastructure spending, including both capital and current expenditure. Full details of the projects to be managed appear in the *Annexure – Vote 15: Arts and Culture*.

Table 15.8 : Summary of infrastructure payments and estimates by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Existing infrastructure assets | 11 505 | 14 401 | 16 453 | 15 800 | 15 800 | 15 800 | 10 779 | 13 000 | 19 700 |
| Maintenance and repair: Current | - | - | - | - | - | - | - | - | - |
| Upgrades and additions: Capital | 1 422 | 9 438 | 11 288 | 15 800 | 11 174 | 11 174 | 9 500 | 13 000 | 19 700 |
| Refurbishment and rehabilitation: Capital | 10 083 | 4 963 | 5 165 | - | 4 626 | 4 626 | 1 279 | - | - |
| New infrastructure assets: Capital | 34 576 | 21 059 | 26 372 | 61 162 | 53 157 | 53 157 | 77 700 | 62 452 | 63 798 |
| Infrastructure transfers | 6 409 | 18 176 | - | 17 050 | 1 300 | 1 300 | 30 000 | 30 000 | 30 250 |
| Infrastructure transfers: Current | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Capital | 6 409 | 18 176 | - | 17 050 | 1 300 | 1 300 | 30 000 | 30 000 | 30 250 |
| Infrastructure: Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure: Leases | - | - | - | - | - | - | - | - | - |
| Total | 52 490 | 53 636 | 42 825 | 94 012 | 70 257 | 70 257 | 118 479 | 105 452 | 113 748 |
| Capital infrastructure | 52 490 | 53 636 | 42 825 | 94 012 | 70 257 | 70 257 | 118 479 | 105 452 | 113 748 |
| Current infrastructure | - | - | - | - | - | - | - | - | - |

The 2011/12 spending against *Upgrades and additions: Capital* relates to the upgrading of the Dannhauser library. The substantial increase in 2012/13 is as a result of upgrades to Ndulinde and Dannhauser libraries. Spending in 2013/14 includes upgrades to the Utrecht museum. The decrease in the 2014/15 Adjusted Appropriation is due to the reprioritisation of funds to *Refurbishment and rehabilitation: Capital* for renovations to the RS Skinner campsite. The allocations over the 2015/16 MTEF provide for the upgrading of three regional library depots including the Western, Pinetown and the department's head office depots, as well as KwaMbonambi, Mtunzini, Howick, Maqongqo and Port Shepstone libraries. The substantial increase in 2017/18 relates to the continuation of upgrades to the Port Shepstone library.

Refurbishment and rehabilitation: Capital relates to renovations to the RS Skinner campsite. The department anticipated completing renovations to this campsite in 2013/14, but these were not completed due to delays in the appointment of a contractor to complete the final phase of renovations. This explains the spending in 2014/15. The department anticipates these renovations to be completed in 2015/16.

Spending against *New infrastructure assets: Capital* fluctuates over the seven-year period. The decrease in 2012/13 can be attributed to the department's change in strategy, as previously mentioned. The substantial increase in the 2014/15 Main Appropriation is due to the provision for the construction of the Port Shepstone museum, Umzinyathi art centre, and various library building projects such as uMuziwabantu, Newcastle, Vulamehlo, uMngeni and Umzumbe. The decrease in the 2014/15 Adjusted Appropriation was due to delays in identifying a site for the Umzumbe library. These funds were reprioritised to *Compensation of employees, Goods and services* and *Machinery and equipment*. The increase in 2015/16 includes the EPWP Integrated Grant for Provinces funding for the construction of new art centres in Howick and Clermont and this explains the decrease in 2016/17. The 2015/16 MTEF allocation provides for the construction of the Arts and Culture Academy, as well as the completion of the Ladysmith art centre. Furthermore, the department will continue with the construction of libraries, such as Imbali, Charlestown, Bilanyoni, Bruntville and Ingwavuma.

Infrastructure transfers: Capital reflects transfers to municipalities for the building of libraries and museums. The increase from 2011/12 to 2014/15 is as a result of the funds transferred to the eThekweni Metro in respect of the department's contribution to the mega-library. The decrease in the 2014/15 Adjusted Appropriation is due to the termination of a contract between the Metro and the appointed contractor, as previously mentioned. The increase over the 2015/16 MTEF is attributed to continued transfers of R30 million to eThekweni Metro in respect of the mega-library in each year of the MTEF and R250 000 to uMngeni Municipality for the construction of the Royal Tembe Museum in 2017/18.

5.6 Summary of Public Private Partnerships – Nil

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

Table 15.9 below reflects the transfers made to The Playhouse Company, which is listed as a national public entity, and resides under Programme 2. The Playhouse Company is a cultural institution promulgated under the Cultural Institutions Act, No. 119 of 1998. Its primary mandate is to develop and promote artistic works that are representative of the diverse South African artistic and cultural heritage. The department entered into an agreement with the entity based on projects which The Playhouse Company embarked on and which are linked to the mandate of the department. The increase over the 2015/16 MTEF is due to inflationary increments.

Table 15.9 : Summary of departmental transfers to public entities

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|-----------------------|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| The Playhouse Company | 6 401 | 6 721 | 7 057 | 7 445 | 7 445 | 7 445 | 7 787 | 8 176 | 8 585 |
| Total | 6 401 | 6 721 | 7 057 | 7 445 | 7 445 | 7 445 | 7 787 | 8 176 | 8 585 |

5.8 Transfers to other entities

Table 15.10 provides a breakdown of transfers made to other entities. The institutions set out in the table below fall within the category *Transfers and subsidies to: Non-profit institutions*. A brief explanation of the transfers is provided in the paragraphs above and below the table.

KZN Philharmonic Orchestra

Funding is provided to the KZN Philharmonic Orchestra, which is a non-profit institution committed to ensuring the development of artists through nurturing local talent and skills and providing cultural entertainment. The increase in 2013/14 includes additional funding allocated to this entity in order to increase its budget to its original allocation, as well as additional funding in respect of the KZN Philharmonic Orchestra's participation in the South African French Season. This explains the decrease in the 2014/15 Main Appropriation. The increase over the MTEF is due to inflationary increments.

Community art centres

The department continues to fund community art centres, which contribute to the development and training of artists. The funds in respect of transfer payments to the Bulwer, Ladysmith, Mbazwana, Osizweni and uThungulu art centres were shifted from *Transfers and subsidies to: Non-profit institutions* to *Goods and services* for the procurement of services, such as municipal services, cleaning, security and operational requirements required by these art centres, since Section 21 entities had not yet been established to oversee the operations of these centres. Furthermore, funds in respect of the transfer to the Stable Theatre were moved to *Goods and services* due to the expiry of the term of office of the board. Due to the Stable Theatre no longer being a Section 21 entity, the department took over the operations of the art centre, which explains the decrease in the 2014/15 Adjusted Appropriation. The department will continue funding existing art centres, with inflationary increases over the 2015/16 MTEF.

Arts and culture support

Arts and culture support funding is provided to various organisations to assist in providing a platform for emerging artists. The department enters into MOUs with these institutions and detailed business plans are provided. It is noted that Africa Ignite is budgeted for in both Programmes 2 and 3. Africa Ignite provides reading promotion programmes on behalf of the department, budgeted for against Programme 2, and story-telling programmes budgeted for against Programme 3. The substantial increase in the 2014/15 Adjusted Appropriation is due to an increase and introduction of transfers to various organisations such as National Choral Music Awards, Amambazo: The Musical, Royalty Soapie Awards, the KZN Music House and PMB Jazz Festival. The slight decrease in 2016/17 is due to transfers in respect of Amambazo: The Musical falling away. The MTEF includes new transfers to the Durban School of Music, East Griqualand Festival, Die Ventersfees, Midlands Experience and Arts and Culture Awards.

Table 15:10 : Summary of departmental transfers to other entities

| R thousand | Sub-programme | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--------------------------------------|-----------------------------|-----------------|---------------|---------------|---------------|--------------------------|---------------|-----------------------|---------------|---------------|
| | | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation 2014/15 | Estimate | 2015/16 | 2016/17 | 2017/18 |
| KZN Philharmonic Orchestra | 2.1 Arts and Culture | 8 796 | 9 236 | 14 196 | 10 230 | 10 230 | 10 230 | 10 700 | 11 245 | 11 457 |
| Claims against the department | 2.1 Arts and Culture | - | - | 201 | - | - | - | - | - | - |
| Community art centres | | 4 198 | 4 246 | 3 641 | 4 643 | 2 914 | 2 914 | 3 201 | 3 490 | 3 728 |
| BAT art centre | 2.1 Arts and Culture | 609 | 1 745 | 1 780 | 1 817 | 1 817 | 1 817 | 1 853 | 1 951 | 1 988 |
| Catalina Theatre | 2.1 Arts and Culture | - | 100 | 158 | 166 | 166 | 166 | 200 | 220 | 240 |
| Ewushini art centre | 2.1 Arts and Culture | - | 150 | 158 | 166 | 166 | 166 | 250 | 300 | 350 |
| Gobhela art centre | 2.1 Arts and Culture | 183 | 192 | 202 | 213 | 213 | 213 | 224 | 236 | 250 |
| Indonsa art centre | 2.1 Arts and Culture | 1 487 | - | - | - | - | - | - | - | - |
| Jambo art centre | 2.1 Arts and Culture | 100 | 150 | 158 | 166 | 166 | 166 | 174 | 183 | 200 |
| Khula art centre | 2.1 Arts and Culture | 166 | 174 | 183 | 193 | 193 | 193 | 250 | 300 | 350 |
| Rorkes Drift art centre | 2.1 Arts and Culture | 166 | 174 | 183 | 193 | 193 | 193 | 250 | 300 | 350 |
| Stable Theatre | 2.1 Arts and Culture | 1 487 | 1 561 | 819 | 1 729 | - | - | - | - | - |
| Arts and culture support | | 3 833 | 8 264 | 6 545 | 7 392 | 40 690 | 40 690 | 27 157 | 26 530 | 27 432 |
| NB Productions | 1.2 Corporate Services | 400 | - | - | - | - | - | - | - | - |
| Sakhisizwe Organisation | 1.2 Corporate Services | 200 | 220 | 220 | 220 | 220 | 220 | 220 | 220 | 220 |
| Ugu Jazz Festival | 1.2 Corporate Services | - | 900 | - | 150 | 3 645 | 3 645 | 3 000 | 3 000 | 3 000 |
| Umgababa Youth Festival | 1.2 Corporate Services | 250 | 250 | - | 250 | 250 | 250 | 250 | 250 | 250 |
| Africa Ignite | 2.1 Arts and Culture | - | - | 1 027 | - | - | - | 500 | - | - |
| Amambazo: The Musical | 2.1 Arts and Culture | - | - | 1 945 | 1 000 | 2 000 | 2 000 | 1 000 | - | - |
| Amantshontsho Ka Maskandi Awards | 2.1 Arts and Culture | - | 675 | - | - | - | - | - | - | - |
| Art in the Park | 2.1 Arts and Culture | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Arts and culture awards | 2.1 Arts and Culture | - | - | - | - | - | - | 1 500 | 1 500 | 1 500 |
| Audio Describe | 2.1 Arts and Culture | - | 40 | - | - | - | - | - | - | - |
| Centre for Creative Arts UKZN | 2.1 Arts and Culture | 100 | 100 | - | 100 | 100 | 100 | 100 | 100 | 100 |
| Crown Gospel Music awards | 2.1 Arts and Culture | 250 | 250 | - | - | - | - | - | - | - |
| Dolosees Festival | 2.1 Arts and Culture | 50 | - | 70 | 70 | 70 | 70 | 70 | 70 | 70 |
| Durban International Blues Festival | 2.1 Arts and Culture | - | - | - | 100 | 100 | 100 | 100 | 100 | 100 |
| Durban School of Music | 2.1 Arts and Culture | - | - | - | - | - | - | 500 | 500 | 500 |
| East Griqualand Festival | 2.1 Arts and Culture | - | - | - | - | - | - | 350 | 350 | 350 |
| Federation of Community Art Centres | 2.1 Arts and Culture | - | - | - | 200 | 200 | 200 | - | - | - |
| Fodo Cultural Village | 2.1 Arts and Culture | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 |
| Hilton Arts Festival | 2.1 Arts and Culture | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Inter-cultural food tasting | 2.1 Arts and Culture | 80 | 100 | 100 | 100 | - | - | 100 | 100 | 100 |
| Khandampevu Productions | 2.1 Arts and Culture | - | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 |
| KwaCulture | 2.1 Arts and Culture | - | - | 150 | 150 | 150 | 150 | 150 | 150 | 150 |
| KZN African Film Festival (Ekhasya) | 2.1 Arts and Culture | 544 | 556 | 561 | 584 | 584 | 584 | 600 | 645 | 700 |
| KZN Music House | 2.1 Arts and Culture | - | - | - | - | 12 000 | 12 000 | 12 000 | 12 600 | 13 230 |
| KZN Youth Wind Band | 2.1 Arts and Culture | - | - | - | 150 | 150 | 150 | 150 | 150 | 200 |
| Love to Live | 2.1 Arts and Culture | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 |
| Midlands Experience | 2.1 Arts and Culture | - | - | - | - | - | - | 1 670 | 1 670 | 1 670 |
| MTN Jazz Festival | 2.1 Arts and Culture | 500 | 500 | - | - | - | - | - | - | - |
| National Annual Choral Music Awards | 2.1 Arts and Culture | - | - | - | - | 5 000 | 5 000 | - | - | - |
| Orchid Festival | 2.1 Arts and Culture | - | - | - | 100 | 100 | 100 | 100 | 100 | 100 |
| PANSA Young Performers | 2.1 Arts and Culture | - | - | - | 300 | 300 | 300 | 300 | 316 | 333 |
| PMB Jazz Festival | 2.1 Arts and Culture | - | - | - | - | 1 500 | 1 500 | - | - | - |
| Royalty Soapie Awards | 2.1 Arts and Culture | - | - | - | 100 | 5 000 | 5 000 | - | - | - |
| SA Traditional Music Awards (SATMA) | 2.1 Arts and Culture | 500 | - | - | - | - | - | - | - | - |
| The King and Us | 2.1 Arts and Culture | - | - | - | - | 5 000 | 5 000 | - | - | - |
| Twist Theatre Development | 2.1 Arts and Culture | 200 | 100 | 100 | - | - | - | - | - | - |
| Ushaka Marine | 2.1 Arts and Culture | 250 | 540 | 600 | 600 | 600 | 600 | 600 | 600 | 600 |
| Die Ventersfees | 2.1 Arts and Culture | - | - | - | - | - | - | 250 | 250 | 250 |
| Wildsfees Festival | 2.1 Arts and Culture | 100 | 80 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Africa Ignite | 3.4 Com. Library Serv. | - | 2 403 | - | 1 477 | 1 980 | 1 980 | 1 625 | 1 787 | 1 882 |
| Family Literacy project | 3.4 Com. Library Serv. | 99 | 220 | 242 | 266 | 266 | 266 | 500 | 500 | 500 |
| SA Library for the Blind | 3.4 Com. Library Serv. | - | 900 | 1 000 | 945 | 945 | 945 | 992 | 1 042 | 1 097 |
| Arts Councils | 2.1 Arts and Culture | 1 575 | 1 593 | 1 745 | 1 798 | 1 798 | 1 798 | 1 888 | 1 988 | 2 026 |
| Museum subsidies | | 3 499 | 5 766 | 7 122 | 4 816 | 5 727 | 5 727 | 4 532 | 4 758 | 5 264 |
| Amazwi Abesifazane | 2.4 Museum Services | - | - | - | 150 | 150 | 150 | 158 | 166 | 175 |
| Baynesfield Museum | 2.4 Museum Services | 341 | 270 | 284 | 299 | 299 | 299 | 299 | 314 | 331 |
| Comrades House Museum | 2.4 Museum Services | 341 | 270 | 284 | 299 | 299 | 299 | 299 | 314 | 331 |
| DCO Matiwane | 2.4 Museum Services | 100 | 270 | 1 084 | 599 | 849 | 849 | 299 | 314 | 331 |
| Deutsche Schule Hermannsburg | 2.4 Museum Services | 341 | 270 | 284 | 299 | 299 | 299 | 299 | 314 | 331 |
| East Griqualand Museum Trust | 2.4 Museum Services | 341 | 270 | 284 | 299 | 299 | 299 | 299 | 314 | 331 |
| 1860 Heritage Centre Doc Centre | 2.4 Museum Services | - | 150 | 284 | 299 | 799 | 799 | 299 | 314 | 331 |
| Himeville Museum | 2.4 Museum Services | 341 | 270 | 284 | 299 | 299 | 299 | 299 | 314 | 331 |
| KwaCulture | 2.4 Museum Services | - | - | 1 899 | - | - | - | - | - | - |
| Macrorie House Museum | 2.4 Museum Services | 341 | 371 | 284 | 299 | 299 | 299 | 299 | 314 | 331 |
| Mazisi Kunene Museum | 2.4 Museum Services | 100 | 270 | 284 | 299 | 299 | 299 | 299 | 314 | 331 |
| Mpophomeni Community Museum | 2.4 Museum Services | 100 | 2 245 | 701 | 299 | 299 | 299 | 299 | 314 | 331 |
| Natal Arts Trust | 2.4 Museum Services | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| Phansi Museum | 2.4 Museum Services | 100 | 270 | 284 | 299 | 299 | 299 | 299 | 314 | 331 |
| Project Gateway | 2.4 Museum Services | - | - | - | 150 | 150 | 150 | 158 | 166 | 175 |
| Richmond, Byrne and District Museum | 2.4 Museum Services | 341 | 270 | 284 | 299 | 299 | 299 | 299 | 314 | 331 |
| Royal Tembe | 2.4 Museum Services | - | - | - | - | - | - | - | - | 250 |
| Utrecht Museum | 2.4 Museum Services | 341 | 270 | 284 | 299 | 299 | 299 | 299 | 314 | 331 |
| Vukani Museum | 2.4 Museum Services | 341 | 270 | 284 | 299 | 460 | 460 | 299 | 314 | 331 |
| Total | | 21 901 | 29 105 | 33 450 | 28 879 | 61 359 | 61 359 | 47 478 | 48 011 | 49 907 |

Arts Councils

The amount reflected under Arts Councils is transferred to properly constituted arts, culture and craft organisations that develop and preserve arts and culture in the province. The allocation rises steadily over the seven-year period and shows an inflationary increase over the 2015/16 MTEF.

Museum subsidies

Funding is provided to non-profit institutions to cover operational and staffing costs for museums. The museums listed under this category are managed by a Board of Trustees and a large portion of the funding transferred to them is utilised to cover the salaries paid to curators. The increase in 2012/13 is due to an allocation toward the construction of the Mpophomeni community museum. The increase in 2013/14 can be attributed to increased transfers in respect of the DCO Matiwane and Mpophomeni community museums, and the 1860 Heritage Centre: Documentation Centre. The increase in the 2014/15 Adjusted Appropriation is due to increased transfers to the 1860 Heritage Centre: Documentation Centre and Vukani Museum. The increase over the 2015/16 MTEF is due to an inflationary increase in most transfers, as well as a new transfer of R250 000 for the construction of the Royal Tembe Museum in 2017/18.

5.9 Transfers to local government

Tables 15.11 and 15.12 provide a summary of transfers made to local government.

Details of the amounts reflected per grant type and per municipality are given in *Annexure – Vote 15: Arts and Culture*.

It is noted that the tables do not include funding for motor vehicle licences, as this funding is not paid to a municipality.

Table 15.11 : Summary of departmental transfers to local government by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|--------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Category A | 14 709 | 93 363 | 158 845 | 165 383 | 119 205 | 119 205 | 159 762 | 168 482 | 176 970 |
| Category B | 41 303 | 55 459 | 99 431 | 104 494 | 102 039 | 102 039 | 109 870 | 115 699 | 121 538 |
| Category C | - | 1 561 | 1 639 | 1 729 | 1 729 | 1 729 | 1 815 | 1 911 | 2 007 |
| Total | 56 012 | 150 383 | 259 915 | 271 606 | 222 973 | 222 973 | 271 447 | 286 092 | 300 515 |

Table 15.12 : Summary of departmental transfers to local government by grant name

| R thousand | Sub-programme | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------|----------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Museum subsidies | 2.4 Museum Services | 7 168 | 10 049 | 9 593 | 10 634 | 8 181 | 8 181 | 7 935 | 8 382 | 8 825 |
| Provincialisation of libraries | 3.2 Library Services | 31 110 | 116 004 | 225 111 | 234 360 | 198 182 | 198 182 | 212 586 | 225 691 | 238 519 |
| Community Libr Services grant | 3.3 Comm. Libr Serv | 17 334 | 22 769 | 23 572 | 24 883 | 14 881 | 14 881 | 49 111 | 50 108 | 51 164 |
| Art Centre (Operational costs) | 2.2 Arts and Culture | 400 | 1 561 | 1 639 | 1 729 | 1 729 | 1 729 | 1 815 | 1 911 | 2 007 |
| Total | | 56 012 | 150 383 | 259 915 | 271 606 | 222 973 | 222 973 | 271 447 | 286 092 | 300 515 |

A portion of the Community Library Services grant is paid to municipalities to assist at local level with the costs of cyber cadets and the acquisition of library material. These allocations fall under both Categories A and B.

Transfers to Category A and B are aimed at assisting municipalities with the operational and staffing costs of museums. Museum subsidies are allocated over both categories. The substantial increase from 2012/13 in respect of Category A relates to a transfer to the eThekweni Metro for the construction of the mega-library, as well as funds for the provincialisation of museums.

The allocations to Category A, which relate to transfers to the eThekweni Metro, are for the operational costs of libraries in that area, as well as museum subsidies. The substantially increased allocations from 2012/13 and over the 2015/16 MTEF reflect the inclusion of provincialisation transfers to the Metro, as well as further funding for the mega-library. The decrease in the 2014/15 Adjusted Appropriation is

largely as a result of the department's decision to withhold transfers to the Metro. These funds were in respect of provincialisation of libraries funding, as well the mega-library, as previously mentioned.

Category B consists of transfers to museums and libraries in respect of provincialisation. The increase from 2011/12 and over the 2015/16 MTEF is due to provincialisation transfers for public libraries and museums, as well as staffing costs in respect of libraries. The decrease in the 2014/15 Adjusted Appropriation is largely due to the reprioritisation of funds to *Goods and services* for direct delivery of services such as cleaning, security, and operational requirements of museums. Furthermore, the decrease can be attributed to the non-appointment of cyber-cadets.

Category C caters for transfers made to the Zululand District Municipality in respect of art centre subsidies for the Indonsa art centre. Prior to 2012/13, the spending for this art centre was incorrectly allocated against *Transfers and subsidies to: Non-profit institutions*. This was corrected from 2012/13 with allocations now shown against *Transfers and subsidies to: Provinces and municipalities*. The increase over the 2015/16 MTEF is due to inflationary increments.

5.10 Transfers and subsidies

Table 15.13 gives a summary of spending on *Transfers and subsidies* by programme and main category.

A brief explanation of the transfers is provided in the paragraphs above and below the table. The total amount transferred shows a generally steady increase from 2011/12 to 2017/18.

Transfers and subsidies under Programme 1 fluctuate over the seven-year period, largely due to the nature of transfers made, for example:

- *Provinces and municipalities* relates to funding for motor vehicle licences.
- *Non-profit institutions* relates to various projects. The high spending in 2011/12 can be attributed to once-off transfer payment to NB Productions. The department moved transfers relating to the Ugu Jazz Festival to Programme 2 in the 2014/15 Adjusted Appropriation and comparative figures were also adjusted. The department will continue to transfer funds to Sakhisizwe Organisation and Umgababa Youth Festival over the 2015/16 MTEF.
- *Households* caters for staff exits, which are difficult to predict, accounting for fluctuations.

Transfers and subsidies under Programme 2 fluctuates markedly over the seven-year period, as follows:

- *Provinces and municipalities* relates to subsidies paid to municipalities for the operational costs of museums. The significant increase in 2012/13 relates to the carry-through costs of provincialisation of libraries and museums. The 2015/16 MTEF allocation includes the appointment of cyber cadets and continued transfers to museums in respect of provincialisation.
- *Departmental agencies and accounts* relates to the subsidy paid to The Playhouse Company. The increase over the 2015/16 MTEF is due to inflationary increments.
- *Non-profit institutions* includes transfers made to the KZN Philharmonic Orchestra, arts councils, art centres and museums managed by Boards of Trustees. In addition, support is provided to various art organisations. The substantial increase in the 2014/15 Adjusted Appropriation is largely attributed to the reprioritisation of funds from Programme 3 under *Provinces and municipalities* to offset spending pressures resulting from commitments from 2013/14, events/projects which exceeded the budget, as well as payments which were not budgeted for. Furthermore, the increase included increases to transfers in respect of DCO Matiwane for the completion of the educational resource centre and the 1860 Heritage Centre: Documentation Centre for its expansion, as well as introduction of a new transfer to Vukani Museum for full staffing and operational costs and the PMB Jazz Festival. Also, additional funding was received by the department from DEDTEA for the KZN Music House, as previously mentioned. The increase over the 2015/16 MTEF provides for the continuation of most transfers, as well as the construction of the Royal Tembe Museum in 2017/18.

Table 15.13 : Summary of transfers and subsidies by programme and main category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2014/15 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 939 | 1 194 | 1 076 | 720 | 751 | 751 | 570 | 570 | 570 |
| Provinces and municipalities | 24 | 101 | 96 | 100 | 100 | 100 | 100 | 100 | 100 |
| Motor vehicle licences | 24 | 101 | 96 | 100 | 100 | 100 | 100 | 100 | 100 |
| Non-profit institutions | 850 | 470 | 220 | 620 | 470 | 470 | 470 | 470 | 470 |
| NB Productions | 400 | - | - | - | - | - | - | - | - |
| Sakhisizwe Organisation | 200 | 220 | 220 | 220 | 220 | 220 | 220 | 220 | 220 |
| Ugu Jazz Festival | - | - | - | 150 | - | - | - | - | - |
| Umgababa Youth Festival | 250 | 250 | - | 250 | 250 | 250 | 250 | 250 | 250 |
| Households | 65 | 623 | 760 | - | 181 | 181 | - | - | - |
| Termination benefits | 65 | 623 | 760 | - | 181 | 181 | - | - | - |
| 2. Cultural Affairs | 35 129 | 43 604 | 50 853 | 45 379 | 75 539 | 75 539 | 61 428 | 62 681 | 65 375 |
| Provinces and municipalities | 7 568 | 11 611 | 11 232 | 12 363 | 9 910 | 9 910 | 9 750 | 10 293 | 10 832 |
| Museum subsidies | 7 168 | 10 049 | 9 593 | 10 634 | 8 181 | 8 181 | 7 935 | 8 382 | 8 825 |
| Operational costs for art centres | 400 | 1 562 | 1 639 | 1 729 | 1 729 | 1 729 | 1 815 | 1 911 | 2 007 |
| Departmental agencies and accounts | 6 401 | 6 721 | 7 057 | 7 445 | 7 445 | 7 445 | 7 787 | 8 176 | 8 585 |
| The Playhouse Company | 6 401 | 6 721 | 7 057 | 7 445 | 7 445 | 7 445 | 7 787 | 8 176 | 8 585 |
| Non-profit institutions | 20 952 | 25 112 | 31 988 | 25 571 | 57 698 | 57 698 | 43 891 | 44 212 | 45 958 |
| KZN Philharmonic Orchestra | 8 796 | 9 236 | 14 196 | 10 230 | 10 230 | 10 230 | 10 700 | 11 245 | 11 457 |
| Arts and culture support to: | 2 884 | 4 271 | 5 083 | 4 084 | 37 029 | 37 029 | 23 570 | 22 731 | 23 483 |
| Africa Ignite | - | - | 1 027 | - | - | - | 500 | - | - |
| Amambazo: The Musical | - | - | 1 945 | 1 000 | 2 000 | 2 000 | 1 000 | - | - |
| Amantshontsho Ka Maskandi | - | 675 | - | - | - | - | - | - | - |
| Art in the Park | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Audio Describe | - | 40 | - | - | - | - | - | - | - |
| Centre for Creative Arts UKZN | 100 | 100 | - | 100 | 100 | 100 | 100 | 100 | 100 |
| Crown Gospel Music awards | 250 | 250 | - | - | - | - | - | - | - |
| Dolosfees Festival | 50 | - | 70 | 70 | 70 | 70 | 70 | 70 | 70 |
| Durban International Blues Festival | - | - | - | 100 | 100 | 100 | 100 | 100 | 100 |
| Federation of Community Art Centres | - | - | - | 200 | 200 | 200 | - | - | - |
| Fodo Cultural Village | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 |
| Hilton Arts Festival | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Inter-cultural food tasting | 80 | 100 | 100 | 100 | - | - | 100 | 100 | 100 |
| Khandampevu Productions | - | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 |
| KwaCulture | - | - | 150 | 150 | 150 | 150 | 150 | 150 | 150 |
| KwaZulu-Natal Youth Wind Band | - | - | - | 150 | 150 | 150 | 150 | 150 | 200 |
| KZN African Film Festival (Ekhaya) | 544 | 556 | 561 | 584 | 584 | 584 | 600 | 645 | 700 |
| Love to Live | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 |
| MTN Jazz Festival | 500 | 500 | - | - | - | - | - | - | - |
| Orchid Festival | - | - | - | 100 | 100 | 100 | 100 | 100 | 100 |
| PANSA Young Performers | - | - | - | 300 | 300 | 300 | 300 | 316 | 333 |
| Royalty Soapie Awards | - | - | - | 100 | 5 000 | 5 000 | - | - | - |
| SA Traditional Music Awards (SATMA) | 500 | - | - | - | - | - | - | - | - |
| The King and Us | - | - | - | - | 5 000 | 5 000 | - | - | - |
| Twist Theatre Development | 200 | 100 | 100 | - | - | - | - | - | - |
| Ushaka Marine | 250 | 540 | 600 | 600 | 600 | 600 | 600 | 600 | 600 |
| National Annual Choral Music Awards | - | - | - | - | 5 000 | 5 000 | - | - | - |
| Arts and Culture Awards | - | - | - | - | - | - | 1 500 | 1 500 | 1 500 |
| KZN Music House | - | - | - | - | 12 000 | 12 000 | 12 000 | 12 600 | 13 230 |
| Durban School of Music | - | - | - | - | - | - | 500 | 500 | 500 |
| East Griqualand Festival | - | - | - | - | - | - | 350 | 350 | 350 |
| PMB Jazz Festival | - | - | - | - | 1 500 | 1 500 | - | - | - |
| Die Ventersfees | - | - | - | - | - | - | 250 | 250 | 250 |
| Midlands Experience | - | - | - | - | - | - | 1 670 | 1 670 | 1 670 |
| Ugu Jazz Festival | - | 900 | - | - | 3 645 | 3 645 | 3 000 | 3 000 | 3 000 |
| Wildsfees | 100 | 80 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Community art centres see Table 15.10 | 4 198 | 4 246 | 3 641 | 4 643 | 2 914 | 2 914 | 3 201 | 3 490 | 3 728 |
| Arts councils | 1 575 | 1 593 | 1 745 | 1 798 | 1 798 | 1 798 | 1 888 | 1 988 | 2 026 |
| Museum subsidies see Table 15.10 | 3 499 | 5 766 | 7 122 | 4 816 | 5 727 | 5 727 | 4 532 | 4 758 | 5 264 |
| Claims against the state | - | - | 201 | - | - | - | - | - | - |
| Households | 208 | 160 | 576 | - | 486 | 486 | - | - | - |
| Termination benefits | 208 | 40 | 576 | - | 486 | 486 | - | - | - |
| Bursaries to non-employees | - | 120 | - | - | - | - | - | - | - |
| 3. Library and Archive Services | 48 691 | 142 498 | 250 015 | 261 931 | 216 732 | 216 732 | 264 814 | 279 128 | 293 162 |
| Provinces and municipalities | 48 491 | 138 773 | 248 683 | 259 243 | 213 063 | 213 063 | 261 697 | 275 799 | 289 683 |
| Community Library Services grant | 17 381 | 22 769 | 23 572 | 24 883 | 14 881 | 14 881 | 49 111 | 50 108 | 51 164 |
| Provincialisation of libraries | 31 110 | 116 004 | 225 111 | 234 360 | 198 182 | 198 182 | 212 586 | 225 691 | 238 519 |
| Non-profit institutions | 99 | 3 523 | 1 242 | 2 688 | 3 191 | 3 191 | 3 117 | 3 329 | 3 479 |
| Africa Ignite | - | 2 403 | - | 1 477 | 1 980 | 1 980 | 1 625 | 1 787 | 1 882 |
| Family Literacy project | 99 | 220 | 242 | 266 | 266 | 266 | 500 | 500 | 500 |
| SA Library for the Blind | - | 900 | 1 000 | 945 | 945 | 945 | 992 | 1 042 | 1 097 |
| Households | 101 | 202 | 90 | - | 478 | 478 | - | - | - |
| Termination benefits | 101 | 202 | 90 | - | 478 | 478 | - | - | - |
| Total | 84 759 | 187 296 | 301 944 | 308 030 | 293 022 | 293 022 | 326 812 | 342 379 | 359 107 |

With regard to Programme 3, these transfers show a large increase from 2012/13 onward, as follows:

- *Provinces and municipalities* relates to a number of transfers made in respect of the provincialisation of libraries and the Community Library Services grant which is used for the construction of libraries, the expansion of the library material collection and greater emphasis will be placed on ICT and library promotion projects. In addition, it includes the purchase of library material and the salary costs of cyber cadets. Spending from 2011/12 onward relates to transfers to the eThekweni Metro for the building of the mega-library, provincialisation of public libraries, as well as the purchase of

library material. The decrease in the 2014/15 Adjusted Appropriation is due to the department withholding transfers to the eThekweni Metro in respect of provincialisation and construction of the mega-library, as previously mentioned. The increase over the MTEF is due to the continuation of funding for provincialisation and the mega-library, as well as library materials for public libraries.

- *Non-profit institutions* caters for transfer payments to Africa Ignite, the Family Literacy project and SA Library for the Blind. The high spending in 2012/13 is due to an introduction of transfers to SA Library for the Blind, as well as Africa Ignite. The increase in the 2014/15 Adjusted Appropriation is attributed to the increase in transfers to Africa Ignite. The department will continue to transfer funds to Africa Ignite, the Family Literacy project and SA Library for the Blind over the 2015/16 MTEF.
- *Households* caters for staff exits, which are difficult to predict, accounting for the fluctuations.

6. Programme description

The services rendered by this department are categorised under three programmes, as discussed in greater length below. The programme is largely aligned to the uniform programme and budget structure of the sector. The payments and budgeted estimates for each programme are summarised in terms of economic classification, details of which are given in *Annexure – Vote 15: Arts and Culture*.

6.1 Programme 1: Administration

The purpose of this programme is to provide for effective management and administration of the department and to ensure effective and efficient use of financial and human resources. This programme complies with the structure set for the sector and comprises of two sub-programmes. Tables 15.14 and 15.15 summarise payments and estimates relating to the programme for the period 2011/12 to 2017/18.

Table 15.14 : Summary of payments and estimates by sub-programme: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|---|-----------------|---------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Office of the MEC | 10 222 | 11 743 | 14 525 | 12 321 | 15 539 | 15 539 | 15 125 | 16 037 | 17 003 |
| 2. Corporate Services | 74 440 | 75 187 | 90 651 | 88 258 | 92 837 | 92 837 | 98 379 | 102 148 | 104 250 |
| Total | 84 662 | 86 930 | 105 176 | 100 579 | 108 376 | 108 376 | 113 504 | 118 185 | 121 253 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (3 830) | (3 830) | - |
| Baseline available for spending after 1st charge | 84 662 | 86 930 | 105 176 | 100 579 | 108 376 | 108 376 | 109 674 | 114 355 | 121 253 |

Table 15.15 : Summary of payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|-----------------|---------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 81 158 | 85 256 | 100 226 | 99 619 | 107 135 | 107 135 | 108 100 | 113 131 | 120 029 |
| Compensation of employees | 42 192 | 45 513 | 54 370 | 57 987 | 57 688 | 57 688 | 62 526 | 68 330 | 73 659 |
| Goods and services | 38 966 | 39 743 | 45 856 | 41 632 | 49 447 | 49 447 | 45 574 | 44 801 | 46 370 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 939 | 1 194 | 1 076 | 720 | 751 | 751 | 570 | 570 | 570 |
| Provinces and municipalities | 24 | 101 | 96 | 100 | 100 | 100 | 100 | 100 | 100 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 850 | 470 | 220 | 620 | 470 | 470 | 470 | 470 | 470 |
| Households | 65 | 623 | 760 | - | 181 | 181 | - | - | - |
| Payments for capital assets | 2 322 | 308 | 3 757 | 240 | 490 | 490 | 1 004 | 654 | 654 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 2 322 | 308 | 3 757 | 240 | 490 | 490 | 1 004 | 654 | 654 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 243 | 172 | 117 | - | - | - | 3 830 | 3 830 | - |
| Total | 84 662 | 86 930 | 105 176 | 100 579 | 108 376 | 108 376 | 113 504 | 118 185 | 121 253 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (3 830) | (3 830) | - |
| Baseline available for spending after 1st charge | 84 662 | 86 930 | 105 176 | 100 579 | 108 376 | 108 376 | 109 674 | 114 355 | 121 253 |

There is a steady increase against Programme 1 over the seven-year period.

The increase in 2013/14 against the sub-programme: Office of the MEC is due to spending in respect of OSS initiatives, as identified by the MEC. The increase in the 2014/15 Adjusted Appropriation is largely attributed to additional funding received from DOSR in respect of the balance of ministry funds that remained with the department after the two ministries were amalgamated in 2009. The increase over the 2015/16 MTEF includes carry-through funds from DOSR in this regard.

The high spending in 2013/14 against the sub-programme: Corporate Services can be attributed to payment for vehicles and the departmental server, ordered in 2012/13 but delivered in 2013/14. The increase in the 2014/15 Adjusted Appropriation is due to the reprioritisation of funds from Programme 3 against *Buildings and other fixed structures* to provide for higher than anticipated audit fees, as well as increased security and cleaning costs for the department's district offices and art centres. Furthermore, funds were shifted from Programmes 2 and 3 to this sub-programme for centralisation of the internship budget. The increase over the 2015/16 MTEF is due to inflationary increments and includes funds, which were previously centralised under OTP for external bursaries.

The growth in *Compensation of employees* from 2011/12 to 2013/14 is due to annual wage agreements, as well as the filling of posts. The slight decrease in the 2014/15 Adjusted Appropriation relates to the reprioritisation of funds to *Transfers and subsidies to: Non-profit institutions*, *Transfers and subsidies to: Households* and *Machinery and equipment* due to delays in the filling of budgeted vacant posts, as previously mentioned. The decrease was offset by a shifting of funds from Programmes 2 and 3 for the centralisation of the internship budget, as previously mentioned. The increase over the 2015/16 MTEF includes the filling of critical posts such as Senior and Deputy Manager: Executive Support and Senior Manager: Supply Chain Management.

The increase in 2013/14 against *Goods and services* can be attributed to additional funding received by the department in respect of OSS initiatives. Furthermore, the increase was due to the increase in radio adverts as a result of an increase in the number of departmental events and projects undertaken by the department which were more than budgeted for. The increase in the 2014/15 Adjusted Appropriation is due to the reprioritisation of funds from Programme 3 under *Buildings and other fixed structures* to provide for the higher than anticipated audit fees, as well as increased security and cleaning costs, as previously mentioned. Furthermore, the increase is due to additional funds received from DOSR in respect of the balance of ministry funds. The increase over the 2015/16 MTEF can be attributed to inflationary increments and is inclusive of carry-through funds from DOSR, as well as funds which were previously centralised under OTP for external bursaries.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences.

Expenditure against *Transfers and subsidies to: Non-profit institutions* relates to transfers in respect of the Sakhisizwe Organisation, Umgababa Youth Festival and for various projects. The decrease in the 2014/15 Adjusted Appropriation is due to the reprioritisation of funds to *Machinery and equipment*. These funds were initially budgeted for the hosting of the Ugu Jazz Festival, however, the department moved this event to Programme 2. The 2015/16 MTEF makes provision for the continuation of transfer payments to the Sakhisizwe Organisation and Umgababa Youth Festival at a flat rate.

Transfers and subsidies to: Households caters for staff exits.

The high spending against *Machinery and equipment* in 2013/14 relates to payment for vehicles and a departmental server ordered in 2012/13 but delivered in 2013/14. The increase in the 2014/15 Adjusted Appropriation can be attributed to the reprioritisation of funds from *Compensation of employees* and *Transfers and subsidies to: Non-profit institutions* for vehicles and equipment ordered in 2013/14 but delivered in 2014/15. The peak in 2015/16 is due the provision for the purchase of new vehicles, digitisation equipment and replacement of computers. The amounts over the 2015/16 MTEF relate mainly to the upgrading and replacement of obsolete computer equipment for the department as a whole.

Payments for financial assets relates to write-off of irrecoverable staff debts. The amounts in 2015/16 and 2016/17 are in respect of the first charge relating to 2013/14 unauthorised expenditure.

6.2 Programme 2: Cultural Affairs

The purpose of this programme is to provide for projects and interventions in the arts, culture, language and museum services. The aim is to provide an environment conducive to the celebration, nourishment and growth of these sectors.

This programme complies with the structure set for the sector, except for the fact that there is no Heritage Resource Services sub-programme, as this function falls under Vote 1: Office of the Premier in this province.

The main aim of the Arts and Culture sub-programme is to ensure cultural diversity and the advancement of artistic disciplines into viable industries.

The aim of the Museum Services sub-programme is to act as the custodian of tangible and intangible heritage to preserve, protect, conserve and appreciate for future generations.

The focus of the Language Services sub-programme is the promotion of multi-lingualism and development of historically marginalised languages, and the facilitation of access to government information and services through translation, interpretation and ensuring respect for language rights.

Tables 15.16 and 15.17 below summarise payments and estimates from 2011/12 to 2017/18. The spending and budget against Programme 2 fluctuates over the seven years, as explained below the tables.

Table 15.16 : Summary of payments and estimates by sub-programme: Cultural Affairs

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|----------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Management | 3 137 | 3 199 | 4 467 | 3 166 | 3 166 | 3 166 | 5 707 | 6 126 | 6 572 |
| 2. Arts and Culture | 93 176 | 101 974 | 128 305 | 104 185 | 153 036 | 153 036 | 146 616 | 148 968 | 189 196 |
| 3. Museum Services | 18 188 | 26 380 | 34 294 | 29 365 | 29 092 | 29 092 | 32 626 | 31 506 | 33 070 |
| 4. Language Services | 8 343 | 9 449 | 14 114 | 12 904 | 12 787 | 12 787 | 13 791 | 15 030 | 15 966 |
| Total | 122 844 | 141 002 | 181 180 | 149 620 | 198 081 | 198 081 | 198 740 | 201 630 | 244 804 |

Table 15.17 : Summary of payments and estimates by economic classification: Cultural Affairs

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 70 637 | 76 240 | 112 358 | 96 844 | 103 194 | 103 194 | 114 697 | 126 476 | 137 239 |
| Compensation of employees | 36 392 | 40 333 | 44 168 | 55 213 | 52 890 | 52 890 | 64 583 | 70 765 | 76 284 |
| Goods and services | 34 245 | 35 907 | 68 190 | 41 631 | 50 304 | 50 304 | 50 114 | 55 711 | 60 955 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 35 129 | 43 604 | 50 853 | 45 379 | 75 539 | 75 539 | 61 428 | 62 681 | 65 375 |
| Provinces and municipalities | 7 568 | 11 611 | 11 232 | 12 363 | 9 910 | 9 910 | 9 750 | 10 293 | 10 832 |
| Departmental agencies and accounts | 6 401 | 6 721 | 7 057 | 7 445 | 7 445 | 7 445 | 7 787 | 8 176 | 8 585 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 20 952 | 25 112 | 31 988 | 25 571 | 57 698 | 57 698 | 43 891 | 44 212 | 45 958 |
| Households | 208 | 160 | 576 | - | 486 | 486 | - | - | - |
| Payments for capital assets | 17 078 | 21 158 | 17 969 | 7 397 | 19 348 | 19 348 | 22 615 | 12 473 | 42 190 |
| Buildings and other fixed structures | 16 182 | 17 581 | 10 839 | 6 855 | 6 855 | 6 855 | 19 779 | 10 461 | 40 098 |
| Machinery and equipment | 799 | 3 577 | 6 818 | 542 | 12 413 | 12 413 | 2 836 | 2 012 | 2 092 |
| Heritage assets | 97 | - | 312 | - | 80 | 80 | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 122 844 | 141 002 | 181 180 | 149 620 | 198 081 | 198 081 | 198 740 | 201 630 | 244 804 |

The expenditure from 2011/12 to 2013/14 against the sub-programme: Management is due to the higher than budgeted wage agreements which had carry-through. The increase over the 2015/16 MTEF shows an inflationary increase.

The significant increase against the sub-programme: Arts and Culture in 2013/14 can be attributed to the introduction and increase of various transfers, such as Amambazo: The Musical, KZN Philharmonic Orchestra, The Playhouse Company, The King and Us project, as well as funds in respect of the war-room packages. The increase in the 2014/15 Adjusted Appropriation can be attributed to the reprioritisation of funds from Programme 3 under *Transfers and subsidies to: Provinces and municipalities* for commitments from the previous year such as the King and Us project, events/projects which exceeded the budget such as the Reed Dance and those which were under-budgeted for such as the hosting of the Ugu Jazz Festival. Furthermore, the department received additional funding from Provincial Treasury's Strategic Cabinet Initiatives Fund for the Amambazo: The Musical, National Choral Awards, and Royalty Soapie Awards. Funds from the Provincial Treasury's Strategic Cabinet Initiatives Fund falls away from 2015/16, hence the department has not budgeted for these projects/events over the MTEF. In addition, the department received funds from DEDTEA for the movement of the KZN Music House to the department, as previously mentioned. The increase over the 2015/16 MTEF includes additional funding in respect of the construction of the Arts and Culture Academy, with substantial funding being allocated in 2017/18, hence the peak in that year. The EPWP Integrated Grant for Provinces is allocated in 2015/16 only, at this stage.

Spending against the sub-programme: Museum Services in 2012/13 includes the purchase of mobile museums. The slight decrease in the 2014/15 Adjusted Appropriation is due to the shifting of funds to Programme 1 under *Compensation of employees* for the centralisation of the internship budget, as previously mentioned. The allocation over the 2015/16 MTEF reflects funding for the provincialisation of museums, as well as construction and renovations to museums, accounting for the slight fluctuations.

The spending against the Language Services sub-programme reflects steady growth over the period. The substantial increase in 2013/14 is due to spending on the war-room packages programme which was allocated once-off additional funding. The slight decrease in the 2014/15 Adjusted Appropriation is attributed to the shifting of funds to Programme 1 under *Compensation of employees* for centralisation of the internship budget. The increase over the 2015/16 MTEF is due to inflationary increments.

Spending against *Compensation of employees* from 2011/12 to 2013/14 includes the annual wage agreements with carry-through, as well as the filling of posts, as previously mentioned. The decrease in the 2014/15 Adjusted Appropriation is due to delays in filling vacant posts. These funds were reprioritised to *Goods and services*, *Transfers and subsidies to: Non-profit institutions*, *Transfers and subsidies to: Households* and *Machinery and equipment*. The increase over the 2015/16 MTEF provides for the appointment of critical posts for art centres such as art centre managers and administrative personnel to enable these art centres to be fully functional.

The substantial increase in 2013/14 against *Goods and services* can be attributed to spending on the war-room packages. The increase in the 2014/15 Adjusted Appropriation is due to the reprioritisation of funds from *Compensation of employees*, *Transfers and subsidies to: Provinces and municipalities*, *Transfers and subsidies to: Non-profit institutions* and *Buildings and other fixed structures* for hosting of the Reed Dance ceremony and payment of musical instruments, as previously mentioned. Furthermore, the increase catered for projects/events, which were under-budgeted for, such as Poetry Africa and International Translation Day. The increase over the MTEF is attributed to inflationary increments.

Transfers and subsidies to: Provinces and municipalities relates to transfers made to municipalities in respect of museum subsidies and the operational costs of the Indonsa art centre. The significant increase in 2012/13 relates to the provincialisation of museums, transfers to municipalities for museum projects managed by municipalities, the revamping of museums, as well as operational costs of the Indonsa art centre. Prior to 2012/13, the spending for the Indonsa art centre was incorrectly allocated against *Transfers and subsidies to: Non-profit institutions*, and this was corrected from 2012/13 with the transfer now shown against this category. The decrease in the 2014/15 Adjusted Appropriation is due to challenges with the construction of the KwaDukuza and Newcastle museums, hence these funds were reprioritised to *Transfers and subsidies to: Non-profit institutions*. Furthermore, funds were shifted to *Goods and services* for direct delivery of services to museums. The 2015/16 MTEF allocation includes the appointment of cyber cadets and continued transfers to museums in respect of provincialisation.

Transfers and subsidies to: Departmental agencies and accounts reflects the transfer payments made to The Playhouse Company. The increase over the 2015/16 MTEF is due to inflationary increments.

Transfers and subsidies to: Non-profit institutions includes transfers made to the KZN Philharmonic Orchestra, arts councils, art centres and museums managed by Boards of Trustees. In addition, support is provided to various art organisations. The increase from 2011/12 to 2012/13 is due to increased transfers to various organisations, as previously mentioned. The high spending in 2013/14 can be attributed to the introduction and increase in various transfers such as Amabazo: The Musical, KZN Philharmonic Orchestra and the Royalty Soapie Awards. The substantial increase in the 2014/15 Adjusted Appropriation is largely attributed to the reprioritisation of funds from Programme 3 under *Transfers and subsidies to: Provinces and municipalities* to offset spending pressures resulting from commitments from 2013/14, events/projects which exceeded the budget, as well as payments which were not budgeted for. Furthermore, the increase included increases to transfers in respect of DCO Matiwane for the completion of the educational resource centre and the 1860 Heritage Centre: Documentation Centre for its expansion, as well as introduction of a new transfer to Vukani Museum for full staffing and operational costs and the PMB Jazz Festival. Also, additional funding was received by the department from DEDTEA for the KZN Music House, as previously mentioned. The increase over the 2015/16 MTEF provides for the continuation of most transfers.

The allocation to *Transfers and subsidies to: Households* relates to staff exits.

The decrease in spending against *Buildings and other fixed structures* in 2013/14 and 2014/15 can be ascribed to the department's decisions to complete current infrastructure projects before embarking on new projects. Furthermore, the decrease was due to delays experienced by the Independent Development Trust (IDT) with regard to projects managed by them such as the Mbazwana and Bulwer art centres. IDT did not meet the terms and conditions of the contract signed with the department timeously. This resulted in the department postponing some of its infrastructure projects in 2013/14. The substantial increase in 2015/16 can be attributed to additional funding received in respect of the EPWP Integrated Grant for Provinces for the construction of the Howick and Clermont art centres. The department has not been allocated the EPWP Integrated Grant for Provinces funds in the outer years, at this stage. The 2015/16 MTEF allocation provides for the construction of the Arts and Culture Academy and substantial funding is allocated in 2017/18, hence, the peak in 2017/18.

The significant increase against *Machinery and equipment* in 2013/14 relates to the payment of vehicles ordered in 2012/13 but only received and paid for in 2013/14, as well as purchase musical instruments such as drums, guitars etc. in respect of the war-room packages programme. The increase in the 2014/15 Adjusted Appropriation is due to the reprioritisation of funds from *Compensation of employees* and Programme 3 under *Transfers and subsidies to: Provinces and municipalities* for payment of musical instruments and vehicles ordered in 2013/14 but delivered in 2014/15. The increase over the MTEF relates to the purchase of new vehicles and replacement of computers and furniture for staff appointed in prioritised posts.

The department allocates the purchase of museum artefacts against *Payments for capital assets: Heritage assets*. The increase in 2013/14 relates to the purchase of historic South African artefacts such as a Zulu axe, spear, knobkerrie, staff and war shield, from a foreign auctioneer in London. The department purchased the artefacts due to their historic value, and they were placed in one of the provincial museums.

Service delivery measures – Programme 2: Cultural Affairs

Table 15.18 illustrates the service delivery measures relevant to Programme 2.

It is noted that, from 2015/16, there are no longer sector measures. However, the department is using some of the former sector measures, and has included some new measures which are shown as “New”, with targets set from 2015/16.

Table 15.18 : Service delivery measures: Programme 2: Cultural Affairs

| Outputs | | Performance indicators | Estimated performance | Medium-term targets | | |
|---------|---|---|--|--|---|---|
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| 1 | Arts and Culture | | | | | |
| 1.1 | To implement interventions that advance artistic disciplines into viable industries | <ul style="list-style-type: none">No. of arts and culture sector structures supportedNo. of artists trained | 17 4 105 | 18 2 040 | 18 2 040 | 2 040 2 040 |
| 1.2 | To implement interventions that enhance social cohesion | <ul style="list-style-type: none">No. of projects focussing on the promotion of values inherent in our national public holidays and symbolsNo. of significant days hosted | 86 9 | 86 10 | 87 10 | 87 10 |
| 1.3 | To implement interventions that grow the arts and culture industry in the province and contribute to job creation and poverty alleviation | <ul style="list-style-type: none">No. of co-operatives provided with supportNo. of job opportunities created | New 150 | 12 180 | 13 200 | 14 200 |
| 2 | Language Services | | | | | |
| 2.1 | To implement interventions that enhance social cohesion and inclusion in the province | <ul style="list-style-type: none">No. of language co-ordinating structures supportedNo. of literary exhibitions conductedNo. interpreting services conductedNo. of documents editedNo. of language planning progs implemented:<ul style="list-style-type: none">Status planningCorpus planningNo. of multilingualism promotion progs implementedNo. of persons empowered to deliver translation | 55 1 30 220 3 2 4 6 | 60 1 20 170 3 2 4 3 | 65 1 25 180 3 2 4 3 | 65 1 30 190 3 2 4 3 |
| 3 | Museum Services | | | | | |
| 3.1 | To provide oversight of the provincial museum landscape to drive transformation | <ul style="list-style-type: none">No. of provincially affiliated museums receiving management and development services annuallyNo. of brochures and publications distributedNo. of outreach progs implementedNo. of school visits undertaken by Museum ServicesNo. of collection items digitisedNo. of training sessions offered to museumsNo. of museums renovatedNo. of exhibitions/displays stagedNo. of geographical names reviewed | 42 4 20 50 3 000 3 2 2 130 | 43 4 25 60 3 000 4 2 5 100 | 44 4 30 70 3 000 4 2 10 105 | 44 4 30 70 3 000 4 2 15 110 |

6.3 Programme 3: Library and Archive Services

The aim of this programme is to provide library and information services, as well as archive services.

The Library Services sub-programme caters for the provision of a public library service to affiliated municipal public libraries throughout the province. The aim of this sub-programme is the improvement of libraries, as well as the access to them by all communities, by building, upgrading and automating public libraries, as well as developing and sustaining a reading culture.

The central function of the Archives sub-programme is to acquire, preserve and manage public and non-public records in order to ensure public access to the nation's archival heritage. This includes the acquisition and preservation of public records with historical value, ensuring accessibility of records and promotion of their utilisation, the proper management and care of all public records, and the collection of records with potential provincial value and significance.

This programme includes the Community Library Services conditional grant as a sub-programme, which is additional to the sector structure.

Tables 15.19 and 15.20 below summarise payments and estimates relating to these functions for the period 2011/12 to 2017/18.

The spending and budget against Programme 3 increase steadily over the seven-year period. The significant increase from 2012/13 onward can be attributed to funding received for the provincialisation of public libraries and additional funding allocated for the installation of the RFID system for library material.

Table 15.19 : Summary of payments and estimates by sub-programme: Library and Archive Services

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|-------------------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Management | 1 296 | 1 558 | 2 183 | 1 423 | 1 423 | 1 423 | 1 511 | 1 626 | 1 749 |
| 2. Library Services | 98 417 | 186 218 | 321 868 | 310 545 | 278 068 | 278 068 | 286 823 | 305 986 | 320 442 |
| 3. Archives | 13 089 | 15 403 | 24 839 | 20 191 | 21 418 | 21 418 | 25 640 | 27 699 | 29 459 |
| 4. Community Library Services grant | 49 444 | 48 633 | 63 440 | 122 754 | 122 754 | 122 754 | 157 696 | 164 273 | 176 737 |
| Total | 162 246 | 251 812 | 412 330 | 454 913 | 423 663 | 423 663 | 471 670 | 499 584 | 528 387 |

Table 15.20 : Summary of payments and estimates by economic classification: Library and Archive Services

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 79 092 | 88 393 | 115 688 | 117 375 | 137 629 | 137 629 | 131 656 | 149 465 | 179 825 |
| Compensation of employees | 38 775 | 45 241 | 49 600 | 58 014 | 57 990 | 57 990 | 67 389 | 74 007 | 79 779 |
| Goods and services | 40 317 | 43 152 | 66 088 | 59 361 | 79 639 | 79 639 | 64 267 | 75 458 | 100 046 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 48 691 | 142 498 | 250 015 | 261 931 | 216 732 | 216 732 | 264 814 | 279 128 | 293 162 |
| Provinces and municipalities | 48 491 | 138 773 | 248 683 | 259 243 | 213 063 | 213 063 | 261 697 | 275 799 | 289 683 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 99 | 3 523 | 1 242 | 2 688 | 3 191 | 3 191 | 3 117 | 3 329 | 3 479 |
| Households | 101 | 202 | 90 | - | 478 | 478 | - | - | - |
| Payments for capital assets | 34 463 | 20 921 | 46 627 | 75 607 | 69 302 | 69 302 | 75 200 | 70 991 | 55 400 |
| Buildings and other fixed structures | 29 899 | 17 879 | 31 986 | 70 107 | 62 102 | 62 102 | 68 700 | 64 991 | 43 400 |
| Machinery and equipment | 4 564 | 3 042 | 14 641 | 5 500 | 7 200 | 7 200 | 6 500 | 6 000 | 12 000 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 162 246 | 251 812 | 412 330 | 454 913 | 423 663 | 423 663 | 471 670 | 499 584 | 528 387 |

The Management sub-programme is responsible for monitoring and management of various projects within sub-programmes which are demand driven, hence the fluctuation over the seven-year period.

The sub-programme: Library Services includes the funding received for the provincialisation of public libraries, with a significant increase from 2012/13 onward due to the incorporation of the eThekweni Metro and Msunduzi Municipality into the provincialisation process. The increase in 2013/14 can be attributed to once-off additional funding in respect of the installation of the RFID system, as previously mentioned. This explains the decrease in the 2014/15 Main Appropriation. The decrease in the 2014/15 Adjusted Appropriation is due to the department's decision to withhold transfers from the eThekweni Metro in respect of provincialisation funds, as well as the construction of the mega-library, as previously mentioned. These funds were reprioritised to Programme 1 and 2 in that year, as explained above. There is a steady increase over the 2015/16 MTEF.

The spending against the sub-programme: Archives increases over the seven-year period, apart from 2014/15. The increase in 2013/14 is inclusive of once-off additional funding received in respect of the war-room packages funding for the recording of oral history, purchasing of memory boxes for the memory box project and the acquisition of transcribing equipment, etc. This explains the decrease in the 2014/15 Main Appropriation. The slight increase in the 2014/15 Adjusted Appropriation is attributed to the reprioritisation of funds from the sub-programme: Library Services for vehicles ordered in 2013/14 but delivered and paid for in 2014/15.

Spending against the Community Library Services grant sub-programme in 2011/12 includes the roll-over from 2010/11 for the completion of the Mbazwana library. The significant increase from 2013/14 is due to an increase in conditional grant funding which was used for the construction of libraries, the expansion of the library material collection and greater emphasis placed on ICT and library promotion projects. The substantial increase from 2014/15 and over the MTEF is due to the increased allocations in respect of the conditional grant.

Compensation of employees increases steadily over the seven-year period. The slight decrease in the 2014/15 Adjusted Appropriation is due to delays in filling funded vacant posts as a result of the difficulty in finding suitable candidates. These funds were moved to *Transfers and subsidies to: Households* in respect of staff exit costs. The allocations over the 2015/16 MTEF include a provision for the filling of critical posts such as the assistant and deputy manager to oversee the administration of the Community Library Services grant, the SLIMS administrators in regional libraries, as well as staff for the Vulamehlo, Qhudeni, Maphumulo, Nkungumathe and Ndumo libraries as part of provincialisation.

Spending against *Goods and services* relates to the acquisition of library materials. The significant increase in 2013/14 is due to once-off additional funding in respect of the installation of the RFID system and war-room packages. The increase in the 2014/15 Adjusted Appropriation can be attributed to the reprioritisation of funds from *Transfers and subsidies to: Provinces and municipalities* for the installation of the RFID system for library books and purchase of library books which were under-budgeted for, as previously mentioned. The allocation over the 2015/16 MTEF is according to the number of libraries which require library material, and this is dependent on number of libraries completed over the MTEF.

Transfers and subsidies to: Provinces and municipalities provides mainly for the provincialisation of libraries and the Community Library Services grant, as mentioned above. In addition, it includes the purchase of library material and the salary costs of cyber cadets. Spending from 2011/12 onward relates to transfers made to the eThekweni Metro as the department's contribution to the building of the mega-library and provincialisation of public libraries. The decrease in the 2014/15 Adjusted Appropriation can be attributed to the withholding of transfers to eThekweni Metro in respect of provincialisation and the construction of the mega-library, as previously mentioned. These funds were reprioritised to Programmes 1 and 2 to cater for projects/events and commitments from the previous year, as well as events/projects which exceeded the budget and which were under-budgeted for, as previously mentioned. Furthermore, the funds were reprioritised to *Goods and services* for the purchase of library books, as mentioned above. The increase over the 2015/16 MTEF is due to the continuation of transfers to the eThekweni Metro in respect of the mega-library, as well as transfers to municipalities for payment of mobile library units and salaries of cyber cadets.

Transfers and subsidies to: Non-profit institutions caters for transfers to Africa Ignite, the Family Literacy project and SA Library for the Blind. The high 2012/13 spending was due to an introduction of new transfers to SA Library for the Blind, as well as Africa Ignite. The increase in the 2014/15 Adjusted Appropriation relates to the increase in transfers to Africa Ignite due to an expansion of the story-telling project. These funds were reprioritised from *Goods and services*. The 2015/16 MTEF provides for the continuation of transfers to Africa Ignite, the Family Literacy project and SA Library for the Blind.

The allocation to *Transfers and subsidies to: Households* relates to staff exit costs.

Spending against *Buildings and other fixed structures* includes the completion of the Mbazwana library, as previously mentioned. The increase in spending in 2013/14 includes the construction of the Nkungumathe, Vulamehlo, Qhudeni, Maphumulo and Ndulinde libraries, as well as upgrades to libraries such as KwaMbonambi, Mtunzini, Howick, Maqongqo and Port Shepstone libraries. The decrease in the 2014/15 Adjusted Appropriation is attributed to delays by the department in identifying a site for the Umzumbe library, as well as delays by DOPW in appointing contractors to renovate the Dundee depot. These funds were reprioritised to Programme 1, *Compensation of employees*, *Goods and services* and *Machinery and equipment*. The increase in 2015/16 compared to the outer years is due to additional funding received in respect of the EPWP Integrated Grant for Provinces which will be used for the construction of the Howick and Clermont art centres. The department will continue with the construction of the Vulamehlo, Imbali, Charlestown, Ingwavuma and Bruntville libraries over the MTEF.

The spending in 2012/13 against *Machinery and equipment* included the head count system, furniture, shelving and equipment for new libraries, as well as computer equipment for affiliated libraries. The increase in 2013/14 can be attributed to the purchase of vehicles for outreach projects in respect of the war-room packages. The increase in the 2014/15 Adjusted Appropriation is due to the reprioritisation of funds from *Transfers and subsidies to: Provinces and municipalities* in respect of some musical instruments which were ordered in 2013/14 but delivered in 2014/15, as previously mentioned. The increase over the 2015/16 MTEF relates to the ongoing conversion to the new SLIMS system and upgrading of computer equipment in public libraries. The substantial increase in 2017/18 can be attributed to the purchase of new equipment and mobile library buses for completed libraries.

Service delivery measures – Programme 3: Library and Archive Services

Table 15.21 reflects service delivery measures for Programme 3. It is noted that, from 2015/16, there are no longer sector measures, although the department is still using some of the former sector measures.

Table 15.21 : Service delivery measures: Programme 3: Library and Archives Services

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|---|---|---|---|---|---|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 1 Library Services | | | | | | |
| 1.1 To provide library and information services that are free, equitable and accessible | <ul style="list-style-type: none"> No. of library materials procured No. of monitoring visits done No. of libraries under construction No. of existing library buildings upgraded No. of libraries providing free public internet access No. of promotional projects conducted No. of modular libraries established No. of community libraries established | 120 000 100 2 4 10 4 1 217 | 180 000 100 5 4 117 4 2 221 | 200 000 100 5 4 125 4 2 224 | 220 000 100 5 4 132 4 2 227 | |
| 2 Archives Services | | | | | | |
| 2.1 To provide archival and records management services for records of national and provincial significance | <ul style="list-style-type: none"> No. of awareness progs implemented No. of records classification systems evaluated and approved No. of govt. bodies inspected No. of records management training progs presented No. of records management staff trained No. of data coded entries submitted to NAAIRS database No. of oral history interviews conducted No. of oral history interviews transcribed and documented No. of archive items digitised | 15 14 100 14 400 4 800 192 52 700 000 | 18 16 110 20 480 5 500 210 52 700 000 | 21 20 120 24 560 6 050 232 52 700 000 | 21 20 120 24 640 6 050 232 52 700 000 | |

7. Other programme information

7.1 Personnel numbers and costs

Table 15.22 provides details of the personnel numbers per programme.

Table 15.23 provides details of the personnel numbers and costs of the department over the seven-year period. Most of the posts within the Human Resources and Finance components have now been filled to ensure effective service delivery.

The increase in personnel numbers from March 2016 against all programmes can be attributed to the appointment of staff in prioritised posts such as staff for libraries as part of provincialisation, art centre managers and administrative personnel, Senior and Deputy Manager: Executive Support, as well as Senior Manager: Supply Chain Management.

Prior to 2014/15, interns which are reflected against *Contract workers* in Table 15.23 were paid against *Goods and services*, hence there are no figures from 2011/12 to 2013/14. The number of posts for all programmes remains the same over the outer years of the MTEF, as the department anticipates to fill all of its funded vacant posts by 2016/17, while taking into account the moratorium on the filling of non-critical posts.

Table 15.22 : Personnel numbers and costs by programme

| 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 | 138 | 138 | 183 | 194 | 197 | 197 | 197 |
| 2. Cultural Affairs | 122 | 128 | 126 | 160 | 177 | 177 | 177 |
| 3. Library and Archive Services | 198 | 199 | 218 | 269 | 268 | 268 | 268 |
| Total | 458 | 465 | 527 | 623 | 642 | 642 | 642 |
| Total personnel cost (R thousand) | 117 359 | 131 087 | 148 138 | 168 568 | 194 498 | 213 102 | 229 722 |
| Unit cost (R thousand) | 256 | 282 | 281 | 271 | 303 | 332 | 358 |

Table 15.23 : Summary of departmental personnel numbers and costs by component

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term estimates | | |
|---|-----------------|---------|---------|-----------------------|---------------------------|---------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Total for the department | | | | | | | | | |
| Personnel numbers (head count) | 458 | 465 | 527 | 623 | 623 | 623 | 642 | 642 | 642 |
| Personnel cost (R thousands) | 117 359 | 131 087 | 148 138 | 171 214 | 168 568 | 168 568 | 194 498 | 213 102 | 229 722 |
| Human resources component | | | | | | | | | |
| Personnel numbers (head count) | 35 | 40 | 38 | 40 | 40 | 40 | 46 | 46 | 46 |
| Personnel cost (R thousands) | 8 767 | 11 099 | 11 506 | 12 346 | 12 346 | 12 346 | 14 648 | 16 237 | 17 503 |
| Head count as % of total for department | 7.64 | 8.60 | 7.21 | 6.42 | 6.42 | 6.42 | 7.17 | 7.17 | 7.17 |
| Personnel cost as % of total for department | 7.47 | 8.47 | 7.77 | 7.21 | 7.32 | 7.32 | 7.53 | 7.62 | 7.62 |
| Finance component | | | | | | | | | |
| Personnel numbers (head count) | 41 | 40 | 41 | 47 | 47 | 47 | 45 | 45 | 45 |
| Personnel cost (R thousands) | 11 140 | 12 499 | 13 868 | 15 796 | 15 796 | 15 796 | 16 487 | 17 790 | 19 177 |
| Head count as % of total for department | 8.95 | 8.60 | 7.78 | 7.54 | 7.54 | 7.54 | 7.01 | 7.01 | 7.01 |
| Personnel cost as % of total for department | 9.49 | 9.53 | 9.36 | 9.23 | 9.37 | 9.37 | 8.48 | 8.35 | 8.35 |
| Full time workers | | | | | | | | | |
| Personnel numbers (head count) | 458 | 465 | 527 | 582 | 582 | 582 | 601 | 601 | 601 |
| Personnel cost (R thousands) | 117 359 | 131 087 | 148 138 | 169 082 | 166 436 | 166 436 | 192 366 | 210 970 | 227 590 |
| Head count as % of total for department | 100.00 | 100.00 | 100.00 | 93.42 | 93.42 | 93.42 | 93.61 | 93.61 | 93.61 |
| Personnel cost as % of total for department | 100.00 | 100.00 | 100.00 | 98.75 | 98.74 | 98.74 | 98.90 | 99.00 | 99.07 |
| Part-time workers | | | | | | | | | |
| Personnel numbers (head count) | - | - | - | 41 | 41 | 41 | 41 | 41 | 41 |
| Personnel cost (R thousands) | - | - | - | 2 132 | 2 132 | 2 132 | 2 132 | 2 132 | 2 132 |
| Head count as % of total for department | - | - | - | 6.58 | 6.58 | 6.58 | 6.39 | 6.39 | 6.39 |
| Personnel cost as % of total for department | - | - | - | 1.25 | 1.26 | 1.26 | 1.10 | 1.00 | 0.93 |
| Contract workers | | | | | | | | | |
| Personnel numbers (head count) | - | - | - | - | - | - | - | - | - |
| Personnel cost (R thousands) | - | - | - | - | - | - | - | - | - |
| Head count as % of total for department | - | - | - | - | - | - | - | - | - |
| Personnel cost as % of total for department | - | - | - | - | - | - | - | - | - |

7.2 Training

Table 15.24 and 15.25 provide details of expenditure on training by the department over the seven years. The department is complying with the requirement of the Skills Development Act, which requires that it budgets at least 1 per cent of its salary expenses on training.

The funding for training and development of staff in Programme 1 from 2013/14 to 2014/15 excludes external bursaries as these were centralised under OTP. The substantial increase from 2015/16 onward is due to the movement of external bursaries back to the department, as previously mentioned. Programme 3 includes the SLIMS training of public library librarians and the provision of the literacy training and reading promotion projects at all public libraries.

The decrease in 2012/13 reflects that the department optimised training opportunities that are offered by the Provincial Public Service Training Academy for training programmes, such as customer care,

diversity management, coaching and mentoring, etc., which are free of charge. The funding over the MTEF caters for skills development in terms of the Workplace Skills Plan.

Table 15.24 : Payments on training by programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 742 | 811 | 660 | 800 | 800 | 800 | 1 734 | 1 821 | 1 914 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | 742 | 811 | 660 | 800 | 800 | 800 | 1 734 | 1 821 | 1 914 |
| Other | - | - | - | - | - | - | - | - | - |
| 2. Cultural Affairs | 80 | 33 | 487 | - | 2 | 2 | 358 | 368 | 378 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | 80 | 33 | 487 | - | 2 | 2 | 358 | 368 | 378 |
| Other | - | - | - | - | - | - | - | - | - |
| 3. Library and Archive Services | 42 | 46 | 1 109 | 200 | 214 | 214 | 1 312 | 1 718 | 1 922 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | 42 | 46 | 1 109 | 200 | 214 | 214 | 1 312 | 1 718 | 1 922 |
| Other | - | - | - | - | - | - | - | - | - |
| Total | 864 | 890 | 2 256 | 1 000 | 1 016 | 1 016 | 3 404 | 3 907 | 4 214 |

Table 15.25 : Information on training: Arts and Culture

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Number of staff | 458 | 465 | 527 | 623 | 623 | 623 | 642 | 642 | 642 |
| Number of personnel trained | 212 | 230 | 294 | 305 | 305 | 305 | 305 | 305 | 305 |
| of which | | | | | | | | | |
| Male | 78 | 96 | 111 | 115 | 115 | 115 | 115 | 115 | 115 |
| Female | 134 | 134 | 183 | 190 | 190 | 190 | 190 | 190 | 190 |
| Number of training opportunities | 333 | 506 | 294 | 296 | 296 | 296 | 296 | 296 | 296 |
| of which | | | | | | | | | |
| Tertiary | 52 | 53 | 40 | 40 | 40 | 40 | 40 | 40 | 40 |
| Workshops | 187 | 150 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Seminars | 3 | 9 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Other | 91 | 294 | 184 | 186 | 186 | 186 | 186 | 186 | 186 |
| Number of bursaries offered | 63 | 10 | 63 | 63 | 63 | 63 | 63 | 63 | 63 |
| Number of interns appointed | 34 | 34 | 50 | 51 | 51 | 51 | 51 | 51 | 51 |
| Number of learnerships appointed | 40 | - | 40 | 41 | 41 | 41 | 41 | 41 | 41 |
| Number of days spent on training | 200 | 200 | 200 | 202 | 202 | 202 | 202 | 202 | 202 |

The department will continue placing emphasis on the appointment of both interns and learnerships. In addition, bursaries are being awarded in order to address skills shortages in the arts and culture sector.

ANNEXURE – VOTE 15: ARTS AND CULTURE

Table 15.A : Details of departmental receipts: Arts and Culture

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|------------|------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 241 | 277 | 458 | 524 | 524 | 614 | 527 | 568 | 602 |
| Sale of goods and services produced by dept. (excl. capital assets) | 241 | 277 | 458 | 524 | 524 | 614 | 527 | 568 | 602 |
| Sales by market establishments | 103 | 120 | 289 | 381 | 381 | 381 | 385 | 409 | 435 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Other sales | 138 | 157 | 169 | 143 | 143 | 233 | 142 | 159 | 167 |
| Sale of scrap, waste, arms and other used current goods (excl. capital assets) | - | - | - | - | - | - | - | - | - |
| Transfers received from: | 459 | 1 060 | - | - | - | - | - | - | - |
| Other governmental units | 409 | 1 000 | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments | - | - | - | - | - | - | - | - | - |
| International organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 50 | 60 | - | - | - | - | - | - | - |
| Households and non-profit institutions | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | 76 | 92 | 52 | 96 | 96 | 122 | 72 | 77 | 81 |
| Interest, dividends and rent on land | - | 10 | 48 | 1 | 1 | - | 4 | 5 | 6 |
| Interest | - | 10 | 48 | 1 | 1 | - | 4 | 5 | 6 |
| Dividends | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Sales of capital assets | - | - | 1 970 | - | - | - | 60 | 64 | 68 |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Other capital assets | - | - | 1 970 | - | - | - | 60 | 64 | 68 |
| Transactions in financial assets and liabilities | 1 871 | 316 | 707 | 94 | 94 | 94 | 142 | 151 | 160 |
| Total | 2 647 | 1 755 | 3 235 | 715 | 715 | 830 | 805 | 865 | 917 |

Table 15.B : Payments and estimates by economic classification: Arts and Culture

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|----------------|----------------|----------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 230 887 | 249 889 | 328 272 | 313 838 | 347 958 | 347 958 | 354 453 | 389 072 | 437 093 |
| Compensation of employees | 117 359 | 131 087 | 148 138 | 171 214 | 168 568 | 168 568 | 194 498 | 213 102 | 229 722 |
| Salaries and wages | 100 428 | 112 595 | 128 186 | 148 956 | 146 653 | 146 653 | 169 211 | 185 401 | 199 857 |
| Social contributions | 16 931 | 18 492 | 19 952 | 22 258 | 21 915 | 21 915 | 25 287 | 27 701 | 29 865 |
| Goods and services | 113 528 | 118 802 | 180 134 | 142 624 | 179 390 | 179 390 | 159 955 | 175 970 | 207 371 |
| Administrative fees | 301 | 129 | 945 | 656 | 897 | 897 | 531 | 630 | 652 |
| Advertising | 4 056 | 5 133 | 6 895 | 3 780 | 2 711 | 2 711 | 3 828 | 3 623 | 4 241 |
| Assets less than the capitalisation threshold | 19 923 | 19 828 | 23 876 | 31 833 | 47 121 | 47 121 | 27 690 | 36 112 | 56 196 |
| Audit cost: External | 1 551 | 1 488 | 2 059 | 1 928 | 2 869 | 2 869 | 2 030 | 2 444 | 2 671 |
| Bursaries: Employees | 204 | 150 | 130 | 110 | 169 | 169 | 433 | 456 | 478 |
| Catering: Departmental activities | 529 | 675 | 1 193 | 310 | 779 | 779 | 1 197 | 1 271 | 1 315 |
| Communication (G&S) | 4 414 | 4 501 | 4 795 | 3 821 | 4 506 | 4 506 | 4 908 | 5 236 | 5 568 |
| Computer services | 11 580 | 9 834 | 10 725 | 11 592 | 10 349 | 10 349 | 14 313 | 13 043 | 14 842 |
| Cons & prof serv: Business and advisory services | 261 | 541 | 2 137 | 579 | 9 792 | 9 792 | 354 | 364 | 377 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 294 | 168 | 67 | 61 | 92 | 92 | 100 | 105 | 111 |
| Contractors | 9 828 | 8 384 | 20 456 | 10 844 | 11 886 | 11 886 | 9 286 | 9 461 | 11 203 |
| Agency and support / outsourced services | 8 609 | 8 542 | 10 796 | 6 169 | 6 778 | 6 778 | 8 621 | 9 855 | 11 374 |
| Entertainment | 44 | 46 | 16 | 94 | 121 | 121 | 125 | 136 | 150 |
| Fleet services (incl. govt motor transport) | 2 238 | 2 857 | 3 952 | 3 502 | 4 550 | 4 550 | 3 807 | 3 894 | 4 193 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | 70 | 70 | - | - | - |
| Inventory: Fuel, oil and gas | 5 | 59 | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 1 627 | 3 195 | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 139 | 139 | - | 2 | 2 | 2 | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medcas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | 1 548 | - | - | - | - | - | - |
| Consumable supplies | 226 | 249 | 3 963 | 2 812 | 3 007 | 3 007 | 4 502 | 5 102 | 5 739 |
| Consumable: Stationery, printing and office supplies | 3 636 | 4 859 | 20 613 | 8 333 | 7 993 | 7 993 | 10 208 | 10 929 | 11 870 |
| Operating leases | 10 113 | 11 018 | 9 884 | 14 357 | 13 899 | 13 899 | 14 050 | 14 092 | 14 453 |
| Property payments | 4 534 | 5 326 | 7 670 | 6 300 | 9 295 | 9 295 | 9 751 | 10 558 | 10 970 |
| Transport provided: Departmental activity | 4 331 | 5 338 | 10 271 | 6 553 | 6 419 | 6 419 | 8 126 | 9 386 | 9 571 |
| Travel and subsistence | 15 770 | 18 182 | 24 608 | 18 166 | 21 635 | 21 635 | 20 151 | 21 703 | 22 749 |
| Training and development | 864 | 890 | 2 256 | 1 000 | 1 016 | 1 016 | 3 404 | 3 907 | 4 214 |
| Operating payments | 3 032 | 2 257 | 1 709 | 1 907 | 1 768 | 1 768 | 1 522 | 2 309 | 2 419 |
| Venues and facilities | 1 890 | 1 662 | 2 017 | 3 426 | 3 761 | 3 761 | 5 036 | 5 214 | 5 738 |
| Rental and hiring | 3 529 | 3 352 | 7 553 | 4 489 | 7 905 | 7 905 | 5 982 | 6 140 | 6 277 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 84 759 | 187 296 | 301 944 | 308 030 | 293 022 | 293 022 | 326 812 | 342 379 | 359 107 |
| Provinces and municipalities | 56 083 | 150 485 | 260 011 | 271 706 | 223 073 | 223 073 | 271 547 | 286 192 | 300 615 |
| Provinces | 71 | 102 | 96 | 100 | 100 | 100 | 100 | 100 | 100 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 71 | 102 | 96 | 100 | 100 | 100 | 100 | 100 | 100 |
| Municipalities | 56 012 | 150 383 | 259 915 | 271 606 | 222 973 | 222 973 | 271 447 | 286 092 | 300 515 |
| Municipalities | 56 012 | 150 383 | 259 915 | 271 606 | 222 973 | 222 973 | 271 447 | 286 092 | 300 515 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 6 401 | 6 721 | 7 057 | 7 445 | 7 445 | 7 445 | 7 787 | 8 176 | 8 585 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 6 401 | 6 721 | 7 057 | 7 445 | 7 445 | 7 445 | 7 787 | 8 176 | 8 585 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 21 901 | 29 105 | 33 450 | 28 879 | 61 359 | 61 359 | 47 478 | 48 011 | 49 907 |
| Households | 374 | 985 | 1 426 | - | 1 145 | 1 145 | - | - | - |
| Social benefits | 189 | 252 | 243 | - | 964 | 964 | - | - | - |
| Other transfers to households | 185 | 733 | 1 183 | - | 181 | 181 | - | - | - |
| Payments for capital assets | 53 863 | 42 387 | 68 353 | 83 244 | 89 140 | 89 140 | 98 819 | 84 118 | 98 244 |
| Buildings and other fixed structures | 46 081 | 35 460 | 42 825 | 76 962 | 68 957 | 68 957 | 88 479 | 75 452 | 83 498 |
| Buildings | 46 081 | 35 460 | 42 825 | 76 962 | 68 957 | 68 957 | 88 479 | 75 452 | 83 498 |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 7 685 | 6 927 | 25 216 | 6 282 | 20 103 | 20 103 | 10 340 | 8 666 | 14 746 |
| Transport equipment | 3 072 | 3 311 | 7 046 | - | 1 200 | 1 200 | 900 | - | - |
| Other machinery and equipment | 4 613 | 3 616 | 18 170 | 6 282 | 18 903 | 18 903 | 9 440 | 8 666 | 14 746 |
| Heritage assets | 97 | - | 312 | - | 80 | 80 | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 243 | 172 | 117 | - | - | - | 3 830 | 3 830 | - |
| Total | 369 752 | 479 744 | 698 686 | 705 112 | 730 120 | 730 120 | 783 914 | 819 399 | 894 444 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (3 830) | (3 830) | - |
| Baseline available for spending after 1st charge | 369 752 | 479 744 | 698 686 | 705 112 | 730 120 | 730 120 | 780 084 | 815 569 | 894 444 |

Table 15.C : Payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term Estimates | | |
|---|-----------------|---------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 81 158 | 85 256 | 100 226 | 99 619 | 107 135 | 107 135 | 108 100 | 113 131 | 120 029 |
| Compensation of employees | 42 192 | 45 513 | 54 370 | 57 987 | 57 688 | 57 688 | 62 526 | 68 330 | 73 659 |
| Salaries and wages | 36 759 | 39 643 | 47 924 | 50 449 | 50 189 | 50 189 | 54 398 | 59 447 | 64 083 |
| Social contributions | 5 433 | 5 870 | 6 446 | 7 538 | 7 499 | 7 499 | 8 128 | 8 883 | 9 576 |
| Goods and services | 38 966 | 39 743 | 45 856 | 41 632 | 49 447 | 49 447 | 45 574 | 44 801 | 46 370 |
| Administrative fees | 68 | 1 | 297 | 253 | 316 | 316 | 121 | 195 | 204 |
| Advertising | 2 659 | 3 391 | 2 165 | 2 035 | 1 312 | 1 312 | 1 721 | 1 439 | 1 477 |
| Assets less than the capitalisation threshold | 166 | 186 | 123 | 216 | 203 | 203 | 830 | 499 | 680 |
| Audit cost: External | 1 551 | 1 488 | 2 059 | 1 928 | 2 869 | 2 869 | 2 030 | 2 444 | 2 671 |
| Bursaries: Employees | 204 | 150 | 130 | 110 | 169 | 169 | 433 | 456 | 478 |
| Catering: Departmental activities | 222 | 272 | 415 | 170 | 211 | 211 | 537 | 567 | 585 |
| Communication (G&S) | 2 124 | 1 991 | 2 232 | 1 663 | 2 293 | 2 293 | 2 427 | 2 537 | 2 575 |
| Computer services | 3 082 | 2 576 | 3 198 | 2 081 | 2 316 | 2 316 | 3 581 | 2 271 | 2 033 |
| Cons & prof serv: Business and advisory services | 41 | 178 | 444 | 136 | 136 | 136 | 84 | 89 | 93 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 294 | 168 | 67 | 61 | 92 | 92 | 100 | 105 | 111 |
| Contractors | 3 086 | 2 949 | 6 279 | 2 533 | 3 506 | 3 506 | 769 | 787 | 832 |
| Agency and support / outsourced services | 1 442 | 1 177 | 1 167 | 570 | 632 | 632 | 537 | 565 | 593 |
| Entertainment | 31 | 25 | 12 | 94 | 94 | 94 | 90 | 97 | 101 |
| Fleet services (incl. govt motor transport) | 1 036 | 792 | 1 067 | 847 | 1 182 | 1 182 | 1 501 | 1 538 | 1 573 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 3 | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 21 | 3 | - | 2 | 2 | 2 | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 23 | 109 | 230 | 70 | 277 | 277 | 620 | 439 | 460 |
| Consumable: Stationery, printing and office supplies | 1 327 | 1 536 | 775 | 1 151 | 1 151 | 1 151 | 1 662 | 1 328 | 1 383 |
| Operating leases | 9 671 | 10 303 | 9 302 | 11 493 | 12 977 | 12 977 | 11 687 | 11 688 | 11 936 |
| Property payments | 3 039 | 3 483 | 4 413 | 5 281 | 5 925 | 5 925 | 5 561 | 5 971 | 6 190 |
| Transport provided: Departmental activity | 388 | 78 | 167 | 150 | 662 | 662 | - | - | - |
| Travel and subsistence | 6 677 | 6 493 | 7 943 | 7 824 | 9 405 | 9 405 | 8 926 | 9 280 | 9 756 |
| Training and development | 742 | 811 | 660 | 800 | 800 | 800 | 1 734 | 1 821 | 1 914 |
| Operating payments | 630 | 245 | 581 | 682 | 682 | 682 | 231 | 275 | 284 |
| Venues and facilities | 69 | 19 | 722 | 1 012 | 1 095 | 1 095 | 292 | 308 | 324 |
| Rental and hiring | 370 | 1 319 | 1 408 | 470 | 1 140 | 1 140 | 100 | 102 | 107 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 939 | 1 194 | 1 076 | 720 | 751 | 751 | 570 | 570 | 570 |
| Provinces and municipalities | 24 | 101 | 96 | 100 | 100 | 100 | 100 | 100 | 100 |
| Provinces | 24 | 101 | 96 | 100 | 100 | 100 | 100 | 100 | 100 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 24 | 101 | 96 | 100 | 100 | 100 | 100 | 100 | 100 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 850 | 470 | 220 | 620 | 470 | 470 | 470 | 470 | 470 |
| Households | 65 | 623 | 760 | - | 181 | 181 | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | 65 | 623 | 760 | - | 181 | 181 | - | - | - |
| Payments for capital assets | 2 322 | 308 | 3 757 | 240 | 490 | 490 | 1 004 | 654 | 654 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 2 322 | 308 | 3 757 | 240 | 490 | 490 | 1 004 | 654 | 654 |
| Transport equipment | 1 575 | - | 1 444 | - | - | - | - | - | - |
| Other machinery and equipment | 747 | 308 | 2 313 | 240 | 490 | 490 | 1 004 | 654 | 654 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 243 | 172 | 117 | - | - | - | 3 830 | 3 830 | - |
| Total | 84 662 | 86 930 | 105 176 | 100 579 | 108 376 | 108 376 | 113 504 | 118 185 | 121 253 |
| Unauth. Exp. (1st charge) not available for spending | - | - | - | - | - | - | (3 830) | (3 830) | - |
| Baseline available for spending after 1st charge | 84 662 | 86 930 | 105 176 | 100 579 | 108 376 | 108 376 | 109 674 | 114 355 | 121 253 |

Table 15.D : Payments and estimates by economic classification: Cultural Affairs

| | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| R thousand | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 70 637 | 76 240 | 112 358 | 96 844 | 103 194 | 103 194 | 114 697 | 126 476 | 137 239 |
| Compensation of employees | 36 392 | 40 333 | 44 168 | 55 213 | 52 890 | 52 890 | 64 583 | 70 765 | 76 284 |
| Salaries and wages | 31 391 | 34 980 | 38 160 | 48 035 | 46 013 | 46 013 | 56 187 | 61 567 | 66 367 |
| Social contributions | 5 001 | 5 353 | 6 008 | 7 178 | 6 877 | 6 877 | 8 396 | 9 198 | 9 917 |
| Goods and services | 34 245 | 35 907 | 68 190 | 41 631 | 50 304 | 50 304 | 50 114 | 55 711 | 60 955 |
| Administrative fees | 17 | 14 | 543 | 340 | 482 | 482 | 117 | 126 | 129 |
| Advertising | 1 078 | 1 018 | 3 249 | 1 345 | 1 075 | 1 075 | 1 311 | 1 326 | 1 860 |
| Assets less than the capitalisation threshold | 1 012 | 349 | 1 845 | 200 | 3 525 | 3 525 | 735 | 823 | 782 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 178 | 285 | 452 | - | 294 | 294 | 73 | 80 | 83 |
| Communication (G&S) | 1 162 | 1 396 | 1 289 | 899 | 953 | 953 | 1 153 | 1 274 | 1 508 |
| Computer services | 87 | 27 | 68 | 37 | 33 | 33 | 329 | 347 | 365 |
| Cons & prof serv: Business and advisory services | 220 | 348 | 508 | 443 | 477 | 477 | 270 | 275 | 284 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 6 308 | 5 218 | 13 270 | 7 674 | 7 783 | 7 783 | 8 014 | 8 145 | 9 820 |
| Agency and support / outsourced services | 6 831 | 7 188 | 9 219 | 5 484 | 5 928 | 5 928 | 7 230 | 8 380 | 9 837 |
| Entertainment | 6 | 17 | 1 | - | 27 | 27 | 28 | 32 | 33 |
| Fleet services (incl. govt motor transport) | 699 | 1 017 | 1 623 | 1 500 | 1 873 | 1 873 | 1 537 | 1 546 | 1 779 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | 70 | 70 | - | - | - |
| Inventory: Fuel, oil and gas | 5 | 59 | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | (3) | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 98 | 130 | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 72 | 73 | 2 945 | 2 472 | 2 513 | 2 513 | 2 651 | 2 893 | 2 953 |
| Consumable: Stationery, printing and office supplies | 1 126 | 1 339 | 1 649 | 1 531 | 1 530 | 1 530 | 1 570 | 1 991 | 2 047 |
| Operating leases | 211 | 330 | 299 | 405 | 392 | 392 | 212 | 226 | 231 |
| Property payments | 549 | 865 | 1 322 | 396 | 1 010 | 1 010 | 1 216 | 1 216 | 1 289 |
| Transport provided: Departmental activity | 3 772 | 5 126 | 10 082 | 6 403 | 5 728 | 5 728 | 7 746 | 8 988 | 9 154 |
| Travel and subsistence | 6 701 | 8 679 | 12 295 | 7 546 | 9 030 | 9 030 | 7 763 | 8 623 | 8 846 |
| Training and development | 80 | 33 | 487 | - | 2 | 2 | 358 | 368 | 378 |
| Operating payments | 1 009 | 225 | 388 | 357 | 377 | 377 | 278 | 304 | 323 |
| Venues and facilities | 255 | 214 | 588 | 580 | 441 | 441 | 2 194 | 2 895 | 3 296 |
| Rental and hiring | 2 772 | 1 957 | 6 068 | 4 019 | 6 761 | 6 761 | 5 329 | 5 853 | 5 958 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 35 129 | 43 604 | 50 853 | 45 379 | 75 539 | 75 539 | 61 428 | 62 681 | 65 375 |
| Provinces and municipalities | 7 568 | 11 611 | 11 232 | 12 363 | 9 910 | 9 910 | 9 750 | 10 293 | 10 832 |
| Provinces | - | 1 | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | 1 | - | - | - | - | - | - | - |
| Municipalities | 7 568 | 11 610 | 11 232 | 12 363 | 9 910 | 9 910 | 9 750 | 10 293 | 10 832 |
| Municipalities | 7 568 | 11 610 | 11 232 | 12 363 | 9 910 | 9 910 | 9 750 | 10 293 | 10 832 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 6 401 | 6 721 | 7 057 | 7 445 | 7 445 | 7 445 | 7 787 | 8 176 | 8 585 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 6 401 | 6 721 | 7 057 | 7 445 | 7 445 | 7 445 | 7 787 | 8 176 | 8 585 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 20 952 | 25 112 | 31 988 | 25 571 | 57 698 | 57 698 | 43 891 | 44 212 | 45 958 |
| Households | 208 | 160 | 576 | - | 486 | 486 | - | - | - |
| Social benefits | 88 | 50 | 153 | - | 486 | 486 | - | - | - |
| Other transfers to households | 120 | 110 | 423 | - | - | - | - | - | - |
| Payments for capital assets | 17 078 | 21 158 | 17 969 | 7 397 | 19 348 | 19 348 | 22 615 | 12 473 | 42 190 |
| Buildings and other fixed structures | 16 182 | 17 581 | 10 839 | 6 855 | 6 855 | 6 855 | 19 779 | 10 461 | 40 098 |
| Buildings | 16 182 | 17 581 | 10 839 | 6 855 | 6 855 | 6 855 | 19 779 | 10 461 | 40 098 |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 799 | 3 577 | 6 818 | 542 | 12 413 | 12 413 | 2 836 | 2 012 | 2 092 |
| Transport equipment | 270 | 2 604 | 2 602 | - | - | - | 900 | - | - |
| Other machinery and equipment | 529 | 973 | 4 216 | 542 | 12 413 | 12 413 | 1 936 | 2 012 | 2 092 |
| Heritage assets | 97 | - | 312 | - | 80 | 80 | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 122 844 | 141 002 | 181 180 | 149 620 | 198 081 | 198 081 | 198 740 | 201 630 | 244 804 |

Table 15.E : Payments and estimates by economic classification: Library and Archive Services

| R thousand | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 79 092 | 88 393 | 115 688 | 117 375 | 137 629 | 137 629 | 131 656 | 149 465 | 179 825 |
| Compensation of employees | 38 775 | 45 241 | 49 600 | 58 014 | 57 990 | 57 990 | 67 389 | 74 007 | 79 779 |
| Salaries and wages | 32 278 | 37 972 | 42 102 | 50 472 | 50 451 | 50 451 | 58 626 | 64 387 | 69 407 |
| Social contributions | 6 497 | 7 269 | 7 498 | 7 542 | 7 539 | 7 539 | 8 763 | 9 620 | 10 372 |
| Goods and services | 40 317 | 43 152 | 66 088 | 59 361 | 79 639 | 79 639 | 64 267 | 75 458 | 100 046 |
| Administrative fees | 216 | 114 | 105 | 63 | 99 | 99 | 293 | 309 | 319 |
| Advertising | 319 | 724 | 1 481 | 400 | 324 | 324 | 796 | 858 | 904 |
| Assets less than the capitalisation threshold | 18 745 | 19 293 | 21 908 | 31 417 | 43 393 | 43 393 | 26 125 | 34 790 | 54 734 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 129 | 118 | 326 | 140 | 274 | 274 | 587 | 624 | 637 |
| Communication (G&S) | 1 128 | 1 114 | 1 274 | 1 259 | 1 260 | 1 260 | 1 328 | 1 425 | 1 485 |
| Computer services | 8 411 | 7 231 | 7 459 | 9 474 | 8 000 | 8 000 | 10 403 | 10 425 | 12 444 |
| Cons & prof serv: Business and advisory services | - | 15 | 1 185 | - | 9 179 | 9 179 | - | - | - |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 434 | 217 | 907 | 637 | 597 | 597 | 503 | 529 | 551 |
| Agency and support / outsourced services | 336 | 177 | 410 | 115 | 218 | 218 | 854 | 910 | 944 |
| Entertainment | 7 | 4 | 3 | - | - | - | 7 | 7 | 16 |
| Fleet services (incl. govt motor transport) | 503 | 1 048 | 1 262 | 1 155 | 1 495 | 1 495 | 769 | 810 | 841 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 1 627 | 3 195 | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 20 | 6 | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | 1 548 | - | - | - | - | - | - |
| Consumable supplies | 131 | 67 | 788 | 270 | 217 | 217 | 1 231 | 1 770 | 2 326 |
| Consumable: Stationery, printing and office supplies | 1 183 | 1 984 | 18 189 | 5 651 | 5 312 | 5 312 | 6 976 | 7 610 | 8 440 |
| Operating leases | 231 | 385 | 283 | 2 459 | 530 | 530 | 2 151 | 2 178 | 2 286 |
| Property payments | 946 | 978 | 1 935 | 623 | 2 360 | 2 360 | 2 974 | 3 371 | 3 491 |
| Transport provided: Departmental activity | 171 | 134 | 22 | - | 29 | 29 | 380 | 398 | 417 |
| Travel and subsistence | 2 392 | 3 010 | 4 370 | 2 796 | 3 200 | 3 200 | 3 462 | 3 800 | 4 147 |
| Training and development | 42 | 46 | 1 109 | 200 | 214 | 214 | 1 312 | 1 718 | 1 922 |
| Operating payments | 1 393 | 1 787 | 740 | 868 | 709 | 709 | 1 013 | 1 730 | 1 812 |
| Venues and facilities | 1 566 | 1 429 | 707 | 1 834 | 2 225 | 2 225 | 2 550 | 2 011 | 2 118 |
| Rental and hiring | 387 | 76 | 77 | - | 4 | 4 | 553 | 185 | 212 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 48 691 | 142 498 | 250 015 | 261 931 | 216 732 | 216 732 | 264 814 | 279 128 | 293 162 |
| Provinces and municipalities | 48 491 | 138 773 | 248 683 | 259 243 | 213 063 | 213 063 | 261 697 | 275 799 | 289 683 |
| Provinces | 47 | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 47 | - | - | - | - | - | - | - | - |
| Municipalities | 48 444 | 138 773 | 248 683 | 259 243 | 213 063 | 213 063 | 261 697 | 275 799 | 289 683 |
| Municipalities | 48 444 | 138 773 | 248 683 | 259 243 | 213 063 | 213 063 | 261 697 | 275 799 | 289 683 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 99 | 3 523 | 1 242 | 2 688 | 3 191 | 3 191 | 3 117 | 3 329 | 3 479 |
| Households | 101 | 202 | 90 | - | 478 | 478 | - | - | - |
| Social benefits | 101 | 202 | 90 | - | 478 | 478 | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 34 463 | 20 921 | 46 627 | 75 607 | 69 302 | 69 302 | 75 200 | 70 991 | 55 400 |
| Buildings and other fixed structures | 29 899 | 17 879 | 31 986 | 70 107 | 62 102 | 62 102 | 68 700 | 64 991 | 43 400 |
| Buildings | 29 899 | 17 879 | 31 986 | 70 107 | 62 102 | 62 102 | 68 700 | 64 991 | 43 400 |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 4 564 | 3 042 | 14 641 | 5 500 | 7 200 | 7 200 | 6 500 | 6 000 | 12 000 |
| Transport equipment | 1 227 | 707 | 3 000 | - | 1 200 | 1 200 | - | - | - |
| Other machinery and equipment | 3 337 | 2 335 | 11 641 | 5 500 | 6 000 | 6 000 | 6 500 | 6 000 | 12 000 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 162 246 | 251 812 | 412 330 | 454 913 | 423 663 | 423 663 | 471 670 | 499 584 | 528 387 |

Table 15.F : Payments and estimates by economic classification: Conditional grants

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation 2014/15 | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|-----------------------|--------------------------------------|---------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 10 123 | 14 399 | 14 814 | 33 285 | 40 682 | 40 682 | 37 768 | 48 536 | 73 694 |
| Compensation of employees | - | - | - | 4 443 | 4 443 | 4 443 | 9 588 | 10 345 | 11 152 |
| Salaries and wages | - | - | - | 3 865 | 3 865 | 3 865 | 8 341 | 9 000 | 9 702 |
| Social contributions | - | - | - | 578 | 578 | 578 | 1 247 | 1 345 | 1 450 |
| Goods and services | 10 123 | 14 399 | 14 814 | 28 842 | 36 239 | 36 239 | 28 180 | 38 191 | 62 542 |
| Administrative fees | - | 106 | 20 | - | 2 | 2 | - | - | - |
| Advertising | - | 51 | 15 | - | - | - | 200 | 231 | 243 |
| Assets less than the capitalisation threshold | 5 322 | 8 890 | 7 836 | 16 134 | 27 337 | 27 337 | 11 000 | 19 300 | 39 964 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 31 | 47 | 109 | 60 | 60 | 60 | 100 | 110 | 110 |
| Communication (G&S) | - | - | - | - | - | - | - | - | - |
| Computer services | 4 059 | 4 804 | 5 637 | 8 000 | 8 000 | 8 000 | 10 000 | 10 000 | 12 000 |
| Cons & prof serv: Business and advisory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 5 | 10 | 101 | 2 102 | 3 | 3 | - | - | - |
| Agency and support / outsourced services | 76 | 65 | 219 | - | 89 | 89 | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | 9 | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 6 | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | 244 | - | - | - | 500 | 1 000 | 1 500 |
| Consumable: Stationery, printing and office supplies | 14 | 5 | 125 | - | 2 | 2 | 500 | 1 000 | 1 500 |
| Operating leases | 13 | 108 | 1 | 1 800 | - | - | 1 890 | 1 900 | 2 000 |
| Property payments | 261 | 86 | 81 | 144 | 144 | 144 | 150 | 150 | 150 |
| Transport provided: Departmental activity | - | 112 | - | - | - | - | - | - | - |
| Travel and subsistence | 156 | 111 | 237 | 212 | 212 | 212 | 1 300 | 1 500 | 1 800 |
| Training and development | - | 4 | 105 | 200 | 200 | 200 | 1 200 | 1 600 | 1 800 |
| Operating payments | 128 | - | - | 190 | 190 | 190 | 700 | 1 400 | 1 475 |
| Venues and facilities | 52 | - | 75 | - | - | - | 640 | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | 17 433 | 23 889 | 24 814 | 27 571 | 18 072 | 18 072 | 52 228 | 53 437 | 54 643 |
| Provinces and municipalities | 17 334 | 22 769 | 23 572 | 24 883 | 14 881 | 14 881 | 49 111 | 50 108 | 51 164 |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | 17 334 | 22 769 | 23 572 | 24 883 | 14 881 | 14 881 | 49 111 | 50 108 | 51 164 |
| Municipalities | 17 334 | 22 769 | 23 572 | 24 883 | 14 881 | 14 881 | 49 111 | 50 108 | 51 164 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 99 | 1 120 | 1 242 | 2 688 | 3 191 | 3 191 | 3 117 | 3 329 | 3 479 |
| Households | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 21 888 | 10 892 | 24 844 | 64 000 | 66 102 | 66 102 | 69 700 | 62 300 | 48 400 |
| Buildings and other fixed structures | 19 347 | 8 847 | 23 169 | 60 000 | 62 102 | 62 102 | 65 700 | 58 300 | 38 400 |
| Buildings | 19 347 | 8 847 | 23 169 | 60 000 | 62 102 | 62 102 | 65 700 | 58 300 | 38 400 |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 2 541 | 2 045 | 1 675 | 4 000 | 4 000 | 4 000 | 4 000 | 4 000 | 10 000 |
| Transport equipment | 180 | - | 223 | 1 500 | - | - | - | - | - |
| Other machinery and equipment | 2 361 | 2 045 | 1 452 | 2 500 | 4 000 | 4 000 | 4 000 | 4 000 | 10 000 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 49 444 | 49 180 | 64 472 | 124 856 | 124 856 | 124 856 | 159 696 | 164 273 | 176 737 |

Table 15.G : Payments and estimates by economic classification: Community Library Services grant

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|----------------|----------------|----------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| | | | | | 2014/15 | | | | |
| Current payments | 10 123 | 14 399 | 14 814 | 31 183 | 40 682 | 40 682 | 37 768 | 48 536 | 73 694 |
| Compensation of employees | - | - | - | 4 443 | 4 443 | 4 443 | 9 588 | 10 345 | 11 152 |
| Salaries and wages | - | - | - | 3 865 | 3 865 | 3 865 | 8 341 | 9 000 | 9 702 |
| Social contributions | - | - | - | 578 | 578 | 578 | 1 247 | 1 345 | 1 450 |
| Goods and services | 10 123 | 14 399 | 14 814 | 26 740 | 36 239 | 36 239 | 28 180 | 38 191 | 62 542 |
| Administrative fees | - | 106 | 20 | - | 2 | 2 | - | - | - |
| Advertising | - | 51 | 15 | - | - | - | 200 | 231 | 243 |
| Assets less than the capitalisation threshold | 5 322 | 8 890 | 7 836 | 16 134 | 27 337 | 27 337 | 11 000 | 19 300 | 39 964 |
| Catering: Departmental activities | 31 | 47 | 109 | 60 | 60 | 60 | 100 | 110 | 110 |
| Computer services | 4 059 | 4 804 | 5 637 | 8 000 | 8 000 | 8 000 | 10 000 | 10 000 | 12 000 |
| Contractors | 5 | 10 | 101 | - | 3 | 3 | - | - | - |
| Agency and support / outsourced services | 76 | 65 | 219 | - | 89 | 89 | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | 9 | - | - | - | - | - | - |
| Inventory: Materials and supplies | 6 | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | 244 | - | - | - | 500 | 1 000 | 1 500 |
| Consumable: Stationery, printing and office supplies | 14 | 5 | 125 | - | 2 | 2 | 500 | 1 000 | 1 500 |
| Operating leases | 13 | 108 | 1 | 1 800 | - | - | 1 890 | 1 900 | 2 000 |
| Property payments | 261 | 86 | 81 | 144 | 144 | 144 | 150 | 150 | 150 |
| Transport provided: Departmental activity | - | 112 | - | - | - | - | - | - | - |
| Travel and subsistence | 156 | 111 | 237 | 212 | 212 | 212 | 1 300 | 1 500 | 1 800 |
| Training and development | - | 4 | 105 | 200 | 200 | 200 | 1 200 | 1 600 | 1 800 |
| Operating payments | 128 | - | - | 190 | 190 | 190 | 700 | 1 400 | 1 475 |
| Venues and facilities | 52 | - | 75 | - | - | - | 640 | - | - |
| Transfers and subsidies to | 17 433 | 23 889 | 24 814 | 27 571 | 18 072 | 18 072 | 52 228 | 53 437 | 54 643 |
| Provinces and municipalities | 17 334 | 22 769 | 23 572 | 24 883 | 14 881 | 14 881 | 49 111 | 50 108 | 51 164 |
| Municipalities | 17 334 | 22 769 | 23 572 | 24 883 | 14 881 | 14 881 | 49 111 | 50 108 | 51 164 |
| Municipalities | 17 334 | 22 769 | 23 572 | 24 883 | 14 881 | 14 881 | 49 111 | 50 108 | 51 164 |
| Non-profit institutions | 99 | 1 120 | 1 242 | 2 688 | 3 191 | 3 191 | 3 117 | 3 329 | 3 479 |
| Payments for capital assets | 21 888 | 10 345 | 23 812 | 64 000 | 64 000 | 64 000 | 67 700 | 62 300 | 48 400 |
| Buildings and other fixed structures | 19 347 | 8 300 | 22 137 | 60 000 | 60 000 | 60 000 | 63 700 | 58 300 | 38 400 |
| Buildings | 19 347 | 8 300 | 22 137 | 60 000 | 60 000 | 60 000 | 63 700 | 58 300 | 38 400 |
| Machinery and equipment | 2 541 | 2 045 | 1 675 | 4 000 | 4 000 | 4 000 | 4 000 | 4 000 | 10 000 |
| Transport equipment | 180 | - | 223 | 1 500 | - | - | - | - | - |
| Other machinery and equipment | 2 361 | 2 045 | 1 452 | 2 500 | 4 000 | 4 000 | 4 000 | 4 000 | 10 000 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 49 444 | 48 633 | 63 440 | 122 754 | 122 754 | 122 754 | 157 696 | 164 273 | 176 737 |

Table 15.H : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--------------------------------------|-----------------|------------|--------------|---------------|---------------|--------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| | | | | | 2014/15 | | | | |
| Current payments | - | - | - | 2 102 | - | - | - | - | - |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Goods and services | - | - | - | 2 102 | - | - | - | - | - |
| Contractors | - | - | - | 2 102 | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | 547 | 1 032 | - | 2 102 | 2 102 | 2 000 | - | - |
| Buildings and other fixed structures | - | 547 | 1 032 | - | 2 102 | 2 102 | 2 000 | - | - |
| Buildings | - | 547 | 1 032 | - | 2 102 | 2 102 | 2 000 | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | - | 547 | 1 032 | 2 102 | 2 102 | 2 102 | 2 000 | - | - |

Table 15.1 : Arts and Culture - Payments of infrastructure by category

| Project name | Municipality / Region | Type of infrastructure | | Project duration | | Source of funding | Budget programme name | Targeted number of jobs for 2015/16 | Total project cost | Expenditure to date from previous years | Total available | | MTEF Forward estimates |
|--|-----------------------|--|---------|------------------|---------------|-------------------|-----------------------|-------------------------------------|--------------------|---|-----------------|---------|------------------------|
| | | School - primary/secondary/specialised; admin block; water, electricity; sanitation/toilet; fencing etc. | Units | Date: Start | Date: Finish | | | | | | 2015/16 | 2016/17 | |
| R thousands | | | | | | | | | | | | | |
| Existing infrastructure assets | | | | | | | | | | | | | |
| of which: | | | | | | | | | | | | | |
| Maintenance and repair: Current | | | | | | | | | | | | | |
| Upgrades and additions: Capital | | | | | | | | | | | | | |
| Upgrade of library | Mpofana | Upgrade of library (Bruntville) | Various | 01 April 2014 | 31 March 2016 | Conditional grant | Programme 3 | - | 30 334 | - | 10 779 | 13 000 | 19 700 |
| Upgrade of library | Hibiscus Coast | Upgrade of library (Port Shepstone) | Various | 01 April 2014 | 31 March 2018 | Conditional grant | Programme 3 | - | 3 000 | - | 3 000 | 2 000 | - |
| Upgrade of library | eMandlangeni | Upgrade of library (Utrecht) | Various | 01 April 2014 | 31 March 2016 | Conditional grant | Programme 3 | - | 10 000 | - | 2 000 | 10 000 | 19 700 |
| Upgrade of library | Umlalazi | Upgrade of library (Mtunzini) | Various | 01 April 2014 | 31 March 2016 | Conditional grant | Programme 3 | - | 2 500 | - | 500 | - | - |
| Upgrade of library | Mfotoli | Upgrade of library (Kwabonambi) | Various | 01 April 2014 | 31 March 2016 | Conditional grant | Programme 3 | - | 600 | - | 500 | - | - |
| Upgrade of art centre | Newcastle | Upgrade of art centre (Oszweni) | Various | Ongoing | 31 March 2016 | Equitable share | Programme 3 | - | 3 000 | - | 500 | - | - |
| Upgrade of library | uMngeni | Upgrade of library (Howick) | Various | 01 April 2014 | 31 March 2017 | Equitable share | Programme 2 | - | 1 000 | - | 1 000 | - | - |
| Upgrade of regional depot | eThekweni | Upgrade of regional depot (Pinetown) | Various | 01 April 2013 | 31 March 2016 | Equitable share | Programme 3 | - | 1 000 | - | 2 000 | - | - |
| Refurbishment and rehabilitation: Capital | | | | | | | | | | | | | |
| Renovations of campsite | uMngeni | Renovations of campsite (RS Skinner Camp) | Various | 01 April 2010 | 31 March 2016 | Equitable share | Programme 2 | - | 5 234 | - | 1 279 | - | - |
| New infrastructure assets: Capital | | | | | | | | | | | | | |
| of which: | | | | | | | | | | | | | |
| Construction of library | Vulamehlo | Construction of library (Vulamehlo) | Various | 01 April 2012 | 31 March 2017 | Conditional grant | Programme 3 | - | 176 827 | - | 77 700 | 62 452 | 63 798 |
| Construction of library | Jozini | Construction of library (Manyeni) | Various | 01 April 2013 | 31 March 2018 | Conditional grant | Programme 3 | - | 33 927 | - | 8 000 | 4 000 | - |
| Upgrade of library | Mpofana | Upgrade of library (Bruntville) | Various | 01 April 2014 | 31 March 2017 | Equitable share | Programme 3 | - | 13 400 | - | 6 000 | 6 300 | 700 |
| Construction of library | Newcastle | Construction of library (Charlestown) | Various | 01 April 2014 | 31 March 2017 | Conditional grant | Programme 3 | - | 3 000 | - | 3 000 | 2 000 | - |
| Construction of library | eDumbe | Construction of library (Bilanyoni) | Various | 01 April 2014 | 31 March 2018 | Conditional grant | Programme 3 | - | 8 000 | - | 2 000 | 2 000 | - |
| Construction of library | Msunduzi | Construction of library (Imbali) | Various | 01 April 2014 | 31 March 2018 | Conditional grant | Programme 3 | - | 10 000 | - | 8 000 | 6 000 | 2 000 |
| Construction of library | Jozini | Construction of library (Ingwavuma) | Various | 01 April 2014 | 31 March 2017 | Conditional grant | Programme 3 | - | 30 000 | - | 21 200 | 22 000 | 11 000 |
| Construction of arts academy | Msunduzi | Construction of arts academy | Various | 01 April 2014 | 31 March 2018 | Equitable share | Programme 2 | - | 8 000 | - | 11 000 | 3 000 | - |
| Construction of library | Hibiscus Coast | Construction of library (Nzimakwe) | Various | Ongoing | 31 March 2018 | Equitable share | Programme 3 | - | 42 500 | - | 5 500 | 3 500 | 33 500 |
| Construction of library | Newcastle | Construction of library (Dannhauser) | Various | 01 April 2016 | 31 March 2019 | Conditional grant | Programme 3 | - | 8 000 | - | - | 3 691 | 5 000 |
| Construction of library | Various | Various construction projects | Various | Various | Various | Various | Various | - | 20 000 | - | 13 000 | 9 961 | 6 598 |
| Infrastructure transfers | | | | | | | | | | | | | |
| of which: | | | | | | | | | | | | | |
| Infrastructure transfers: Current | | | | | | | | | | | | | |
| Infrastructure transfers: Capital | | | | | | | | | | | | | |
| Construction of library | eThekweni | Construction of mega-library (Metro) | Various | 01 April 2011 | 31 March 2018 | Conditional grant | Programme 3 | - | 49 009 | - | - | - | - |
| Construction of museum | uMngeni | Construction of museum (Royal Tembe) | Various | 01 April 2017 | 31 March 2018 | Equitable share | Programme 2 | - | 48 759 | - | 30 000 | 30 000 | 30 000 |
| | | | | | | | | | 250 | - | - | - | 250 |
| Infrastructure: Payments for financial assets | | | | | | | | | | | | | |
| Infrastructure: Leases | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | |
| Capital infrastructure | | | | | | | | | 256 170 | - | 118 479 | 105 452 | 113 748 |
| Current infrastructure | | | | | | | | | 256 170 | - | 118 479 | 105 452 | 113 748 |
| | | | | | | | | | - | - | - | - | - |

Table 15.J : Summary of transfers to local government

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | 14 709 | 93 363 | 158 845 | 165 383 | 119 205 | 119 205 | 159 762 | 168 482 | 176 970 |
| Total: Ugu Municipalities | 6 324 | 6 642 | 13 342 | 13 929 | 13 267 | 13 267 | 14 474 | 15 241 | 16 010 |
| B KZN211 Vulamehlo | - | - | - | - | - | - | - | - | - |
| B KZN212 Umdoni | 2 138 | 2 247 | 4 476 | 4 658 | 4 658 | 4 658 | 4 939 | 5 201 | 5 462 |
| B KZN213 Umzumbe | - | - | - | - | - | - | - | - | - |
| B KZN214 uMuziwabantu | 334 | 351 | 634 | 661 | 661 | 661 | 723 | 761 | 800 |
| B KZN215 Ezinqoleni | 329 | 346 | 634 | 661 | 535 | 535 | 723 | 761 | 800 |
| B KZN216 Hibiscus Coast | 3 523 | 3 698 | 7 598 | 7 949 | 7 413 | 7 413 | 8 089 | 8 518 | 8 948 |
| C DC21 Ugu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | 3 912 | 14 583 | 29 080 | 30 901 | 29 959 | 29 959 | 31 446 | 33 111 | 34 773 |
| B KZN221 uMshwathi | 194 | 454 | 777 | 811 | 811 | 811 | 877 | 923 | 969 |
| B KZN222 uMngeni | 904 | 1 475 | 3 485 | 3 551 | 2 903 | 2 903 | 3 142 | 3 309 | 3 475 |
| B KZN223 Mpofana | 319 | 555 | 1 109 | 1 160 | 1 012 | 1 012 | 1 094 | 1 153 | 1 210 |
| B KZN224 Impendle | 220 | 341 | 634 | 661 | 661 | 661 | 723 | 761 | 800 |
| B KZN225 Msunduzi | 1 812 | 11 054 | 21 645 | 23 226 | 23 080 | 23 080 | 23 989 | 25 259 | 26 526 |
| B KZN226 Mkhambathini | 248 | 301 | 653 | 681 | 681 | 681 | 744 | 783 | 824 |
| B KZN227 Richmond | 215 | 403 | 777 | 811 | 811 | 811 | 877 | 923 | 969 |
| C DC22 uMgungundlovu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Uthukela Municipalities | 4 052 | 3 998 | 8 683 | 9 434 | 8 570 | 8 570 | 9 506 | 10 009 | 10 517 |
| B KZN232 Emnambithi/Ladysmith | 1 687 | 1 773 | 3 735 | 3 997 | 3 849 | 3 849 | 4 132 | 4 351 | 4 570 |
| B KZN233 Indaka | 318 | 263 | 514 | 681 | 535 | 535 | 744 | 783 | 824 |
| B KZN234 Umtshezi | 1 187 | 1 162 | 2 686 | 2 800 | 2 378 | 2 378 | 2 677 | 2 820 | 2 963 |
| B KZN235 Okhahlamba | 531 | 470 | 1 091 | 1 145 | 997 | 997 | 1 076 | 1 132 | 1 191 |
| B KZN236 Imbabazane | 329 | 330 | 657 | 811 | 811 | 811 | 877 | 923 | 969 |
| C DC23 Uthukela District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | 3 277 | 3 373 | 6 555 | 6 745 | 6 719 | 6 719 | 6 936 | 7 302 | 7 671 |
| B KZN241 Endumeni | 1 666 | 1 661 | 3 410 | 3 460 | 3 564 | 3 564 | 3 507 | 3 692 | 3 878 |
| B KZN242 Ngutu | 686 | 737 | 1 288 | 1 344 | 1 362 | 1 362 | 1 488 | 1 566 | 1 645 |
| B KZN244 Msinga | 341 | 359 | 653 | 681 | 681 | 681 | 744 | 783 | 824 |
| B KZN245 Umvoti | 584 | 616 | 1 204 | 1 260 | 1 112 | 1 112 | 1 197 | 1 261 | 1 324 |
| C DC24 Umzinyathi District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | 3 367 | 4 153 | 6 912 | 7 198 | 6 902 | 6 902 | 7 900 | 8 319 | 8 739 |
| B KZN252 Newcastle | 2 876 | 3 619 | 5 644 | 5 876 | 5 580 | 5 580 | 6 454 | 6 797 | 7 139 |
| B KZN253 eMadlangeni | 254 | 267 | 634 | 661 | 661 | 661 | 723 | 761 | 800 |
| B KZN254 Dannhauser | 237 | 267 | 634 | 661 | 661 | 661 | 723 | 761 | 800 |
| C DC25 Amajuba District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | 3 104 | 4 861 | 8 184 | 8 555 | 8 401 | 8 401 | 9 127 | 9 613 | 10 097 |
| B KZN261 eDumbe | 459 | 500 | 939 | 981 | 981 | 981 | 1 052 | 1 108 | 1 164 |
| B KZN262 uPhongolo | 498 | 540 | 1 011 | 1 052 | 1 046 | 1 046 | 1 292 | 1 362 | 1 430 |
| B KZN263 Abaqulusi | 1 486 | 1 565 | 3 116 | 3 251 | 3 103 | 3 103 | 3 295 | 3 470 | 3 645 |
| B KZN265 Nongoma | 233 | 245 | 634 | 661 | 661 | 661 | 723 | 761 | 800 |
| B KZN266 Ulundi | 428 | 450 | 845 | 881 | 881 | 881 | 950 | 1 001 | 1 051 |
| C DC26 Zululand District Municipality | - | 1 561 | 1 639 | 1 729 | 1 729 | 1 729 | 1 815 | 1 911 | 2 007 |
| Total: Umkhanyakude Municipalities | 6 522 | 5 929 | 6 296 | 5 905 | 6 535 | 6 535 | 6 955 | 7 323 | 7 690 |
| B KZN271 Umhlabyalingana | 1 602 | 1 334 | 1 420 | 1 350 | 1 476 | 1 476 | 1 566 | 1 649 | 1 731 |
| B KZN272 Jozini | 1 395 | 836 | 886 | 800 | 926 | 926 | 997 | 1 050 | 1 103 |
| B KZN273 The Big 5 False Bay | 586 | 600 | 630 | 655 | 655 | 655 | 677 | 713 | 749 |
| B KZN274 Hlabisa | 711 | 838 | 905 | 800 | 926 | 926 | 997 | 1 050 | 1 103 |
| B KZN275 Mtubatuba | 2 228 | 2 321 | 2 455 | 2 300 | 2 552 | 2 552 | 2 718 | 2 861 | 3 004 |
| C DC27 Umkhanyakude District Municipality | - | - | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | 6 111 | 6 748 | 12 417 | 13 220 | 13 227 | 13 227 | 14 167 | 14 927 | 15 685 |
| B KZN281 uMfolozi | 169 | 177 | 372 | 667 | 661 | 661 | 723 | 761 | 800 |
| B KZN282 uMhlathuze | 3 372 | 3 538 | 6 850 | 7 135 | 6 987 | 6 987 | 7 475 | 7 872 | 8 270 |
| B KZN283 Ntambanana | 318 | 335 | 634 | 661 | 661 | 661 | 723 | 761 | 800 |
| B KZN284 uMlalazi | 1 566 | 1 647 | 3 269 | 3 411 | 3 572 | 3 572 | 3 800 | 4 011 | 4 215 |
| B KZN285 Mthonjaneni | 334 | 351 | 634 | 661 | 661 | 661 | 723 | 761 | 800 |
| B KZN286 Nkandla | 352 | 700 | 658 | 685 | 685 | 685 | 723 | 761 | 800 |
| C DC28 uThungulu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Ilembe Municipalities | 2 355 | 3 646 | 5 469 | 5 830 | 5 682 | 5 682 | 6 278 | 6 611 | 6 946 |
| B KZN291 Mandeni | 563 | 676 | 1 602 | 1 798 | 1 798 | 1 798 | 1 964 | 2 068 | 2 174 |
| B KZN292 KwaDukuza | 1 445 | 2 606 | 3 214 | 3 351 | 3 203 | 3 203 | 3 570 | 3 760 | 3 948 |
| B KZN293 Ndwedwe | 347 | 364 | 653 | 681 | 681 | 681 | 744 | 783 | 824 |
| B KZN294 Maphumulo | - | - | - | - | - | - | - | - | - |
| C DC29 Ilembe District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | 2 279 | 3 087 | 4 132 | 4 506 | 4 506 | 4 506 | 4 896 | 5 154 | 5 417 |
| B KZN431 Ingwe | 627 | 1 350 | 939 | 981 | 981 | 981 | 1 052 | 1 108 | 1 164 |
| B KZN432 Kwa Sani | 237 | 249 | 454 | 661 | 661 | 661 | 723 | 761 | 800 |
| B KZN433 Greater Kokstad | 740 | 778 | 1 461 | 1 522 | 1 522 | 1 522 | 1 654 | 1 741 | 1 829 |
| B KZN434 Ubuhlebezwe | 334 | 351 | 625 | 661 | 661 | 661 | 723 | 761 | 800 |
| B KZN435 Umzimkulu | 341 | 359 | 653 | 681 | 681 | 681 | 744 | 783 | 824 |
| C DC43 Harry Gwala District Municipality | - | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | 56 012 | 150 383 | 259 915 | 271 606 | 222 973 | 222 973 | 271 447 | 286 092 | 300 515 |

Table 15.K : Transfers to local government - Museum subsidies

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | 4 300 | 4 547 | 3 865 | 4 133 | 4 133 | 4 133 | 4 390 | 4 623 | 4 868 |
| Total: Ugu Municipalities | 250 | 268 | 568 | 598 | 302 | 302 | 317 | 334 | 352 |
| B KZN216 Hibiscus Coast | 250 | 268 | 568 | 598 | 302 | 302 | 317 | 334 | 352 |
| Total: uMgungundlovu Municipalities | 943 | 589 | 1 552 | 2 106 | 1 164 | 1 164 | 712 | 750 | 789 |
| B KZN222 uMngeni | 125 | 134 | 784 | 799 | 151 | 151 | 166 | 175 | 184 |
| B KZN223 Mpofana | 125 | 134 | 284 | 299 | 151 | 151 | 166 | 175 | 184 |
| B KZN225 Msunduzi | 693 | 321 | 484 | 1 008 | 862 | 862 | 380 | 400 | 421 |
| Total: Uthukela Municipalities | 500 | 536 | 1 136 | 1 196 | 604 | 604 | 649 | 684 | 720 |
| B KZN232 Emnambithi/Ladysmith | 125 | 134 | 284 | 299 | 151 | 151 | 166 | 175 | 184 |
| B KZN234 Umtshezi | 250 | 268 | 568 | 598 | 302 | 302 | 317 | 334 | 352 |
| B KZN235 Okhahlamba | 125 | 134 | 284 | 299 | 151 | 151 | 166 | 175 | 184 |
| Total: Umzinyathi Municipalities | 425 | 455 | 768 | 807 | 763 | 763 | 546 | 575 | 605 |
| B KZN241 Endumeni | 300 | 321 | 484 | 508 | 612 | 612 | 380 | 400 | 421 |
| B KZN245 Umvoti | 125 | 134 | 284 | 299 | 151 | 151 | 166 | 175 | 184 |
| Total: Amajuba Municipalities | 250 | 1 268 | 568 | 598 | 302 | 302 | 317 | 334 | 352 |
| B KZN252 Newcastle | 250 | 1 268 | 568 | 598 | 302 | 302 | 317 | 334 | 352 |
| Total: Zululand Municipalities | 125 | 134 | 284 | 299 | 151 | 151 | 166 | 175 | 184 |
| B KZN263 Abaqulusi | 125 | 134 | 284 | 299 | 151 | 151 | 166 | 175 | 184 |
| Total: Umkhanyakude Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | 250 | 268 | 568 | 598 | 611 | 611 | 672 | 732 | 771 |
| B KZN282 uMhlathuze | 125 | 134 | 284 | 299 | 151 | 151 | 166 | 175 | 184 |
| B KZN284 uMalalazi | 125 | 134 | 284 | 299 | 460 | 460 | 506 | 557 | 587 |
| Total: Ilembe Municipalities | 125 | 1 134 | 284 | 299 | 151 | 151 | 166 | 175 | 184 |
| B KZN292 KwaDukuza | 125 | 1 134 | 284 | 299 | 151 | 151 | 166 | 175 | 184 |
| Total: Harry Gwala Municipalities | - | 850 | - | - | - | - | - | - | - |
| B KZN431 Ingwe | - | 850 | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | 7 168 | 10 049 | 9 593 | 10 634 | 8 181 | 8 181 | 7 935 | 8 382 | 8 825 |

Table 15.L : Transfers to local government - Operational cost of art centres

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Total: Amajuba Municipalities | 150 | - | - | - | - | - | - | - | - |
| B KZN252 Newcastle | 150 | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | 1 561 | 1 639 | 1 729 | 1 729 | 1 729 | 1 815 | 1 911 | 2 007 |
| C DC26 Zululand District Municipality | - | 1 561 | 1 639 | 1 729 | 1 729 | 1 729 | 1 815 | 1 911 | 2 007 |
| Total: Umkhanyakude Municipalities | 100 | - | - | - | - | - | - | - | - |
| B KZN271 Umhlabuyalingana | 100 | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | 150 | - | - | - | - | - | - | - | - |
| B KZN431 Ingwe | 150 | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | 400 | 1 561 | 1 639 | 1 729 | 1 729 | 1 729 | 1 815 | 1 911 | 2 007 |

Table 15.M : Transfers to local government - Provincialisation of libraries

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | 73 316 | 139 980 | 145 500 | 109 322 | 109 322 | 119 622 | 127 804 | 135 726 |
| Total: Ugu Municipalities | 5 199 | 5 458 | 11 460 | 11 950 | 11 950 | 11 950 | 12 331 | 12 984 | 13 635 |
| B KZN212 Umdoni | 1 867 | 1 960 | 4 116 | 4 280 | 4 280 | 4 280 | 4 429 | 4 664 | 4 897 |
| B KZN214 uMuziwabantu | 233 | 245 | 514 | 535 | 535 | 535 | 553 | 582 | 612 |
| B KZN215 Ezinqoleni | 233 | 245 | 514 | 535 | 535 | 535 | 553 | 582 | 612 |
| B KZN216 Hibiscus Coast | 2 866 | 3 008 | 6 316 | 6 600 | 6 600 | 6 600 | 6 796 | 7 156 | 7 514 |
| Total: uMgungundlovu Municipalities | 1 360 | 12 166 | 26 476 | 27 475 | 27 475 | 27 475 | 28 971 | 30 505 | 32 031 |
| B KZN221 uMshwathi | 194 | 454 | 657 | 685 | 685 | 685 | 707 | 744 | 781 |
| B KZN222 uMngeni | 583 | 1 134 | 2 461 | 2 500 | 2 500 | 2 500 | 2 636 | 2 776 | 2 914 |
| B KZN223 Mpofana | 194 | 336 | 705 | 735 | 735 | 735 | 758 | 799 | 838 |
| B KZN224 Impendle | 130 | 245 | 514 | 535 | 535 | 535 | 553 | 582 | 612 |
| B KZN225 Msunduzi | - | 9 507 | 20 968 | 21 800 | 21 800 | 21 800 | 23 057 | 24 278 | 25 493 |
| B KZN226 Mkhambathini | 129 | 177 | 514 | 535 | 535 | 535 | 553 | 582 | 612 |
| B KZN227 Richmond | 130 | 313 | 657 | 685 | 685 | 685 | 707 | 744 | 781 |
| Total: Uthukela Municipalities | 3 069 | 3 222 | 6 909 | 7 170 | 7 170 | 7 170 | 7 434 | 7 827 | 8 219 |
| B KZN232 Emnambithi/Ladysmith | 1 448 | 1 520 | 3 192 | 3 300 | 3 300 | 3 300 | 3 435 | 3 617 | 3 797 |
| B KZN233 Indaka | 233 | 245 | 514 | 535 | 535 | 535 | 553 | 582 | 612 |
| B KZN234 Umtshezi | 852 | 894 | 1 878 | 1 950 | 1 950 | 1 950 | 2 020 | 2 128 | 2 234 |
| B KZN235 Okhahlamba | 303 | 318 | 668 | 700 | 700 | 700 | 719 | 756 | 795 |
| B KZN236 Imbabazane | 233 | 245 | 657 | 685 | 685 | 685 | 707 | 744 | 781 |
| Total: Umzinyathi Municipalities | 2 238 | 2 350 | 4 932 | 5 140 | 5 140 | 5 140 | 5 307 | 5 587 | 5 866 |
| B KZN241 Endumeni | 1 175 | 1 234 | 2 590 | 2 700 | 2 700 | 2 700 | 2 787 | 2 934 | 3 080 |
| B KZN242 Nqutu | 467 | 490 | 1 028 | 1 070 | 1 070 | 1 070 | 1 106 | 1 164 | 1 222 |
| B KZN244 Msinga | 233 | 245 | 514 | 535 | 535 | 535 | 553 | 582 | 612 |
| B KZN245 Umvoti | 363 | 381 | 800 | 835 | 835 | 835 | 861 | 907 | 952 |
| Total: Amajuba Municipalities | 2 510 | 2 600 | 5 744 | 5 970 | 5 970 | 5 970 | 6 733 | 7 090 | 7 446 |
| B KZN252 Newcastle | 2 189 | 2 246 | 4 716 | 4 900 | 4 900 | 4 900 | 5 627 | 5 926 | 6 222 |
| B KZN253 eMadlangeni | 169 | 177 | 514 | 535 | 535 | 535 | 553 | 582 | 612 |
| B KZN254 Dannhauser | 152 | 177 | 514 | 535 | 535 | 535 | 553 | 582 | 612 |
| Total: Zululand Municipalities | 2 493 | 2 618 | 5 498 | 5 725 | 5 725 | 5 725 | 5 914 | 6 230 | 6 540 |
| B KZN261 eDumbe | 363 | 381 | 800 | 835 | 835 | 835 | 861 | 907 | 952 |
| B KZN262 uPhongolo | 402 | 422 | 886 | 920 | 920 | 920 | 952 | 1 004 | 1 053 |
| B KZN263 Abaqulusi | 1 175 | 1 234 | 2 592 | 2 700 | 2 700 | 2 700 | 2 789 | 2 937 | 3 084 |
| B KZN265 Nongoma | 233 | 245 | 514 | 535 | 535 | 535 | 553 | 582 | 612 |
| B KZN266 Ulundi | 320 | 336 | 706 | 735 | 735 | 735 | 759 | 800 | 839 |
| Total: Umkhanyakude Municipalities | 6 029 | 5 408 | 5 677 | 5 905 | 5 905 | 5 905 | 6 105 | 6 428 | 6 750 |
| B KZN271 Umhlabyalingana | 1 412 | 1 238 | 1 300 | 1 350 | 1 350 | 1 350 | 1 396 | 1 470 | 1 543 |
| B KZN272 Jozini | 1 294 | 730 | 766 | 800 | 800 | 800 | 827 | 871 | 915 |
| B KZN273 The Big 5 False Bay | 586 | 600 | 630 | 655 | 655 | 655 | 677 | 713 | 749 |
| B KZN274 Hlabisa | 711 | 730 | 766 | 800 | 800 | 800 | 827 | 871 | 915 |
| B KZN275 Mtubatuba | 2 026 | 2 110 | 2 215 | 2 300 | 2 300 | 2 300 | 2 378 | 2 503 | 2 628 |
| Total: uThungulu Municipalities | 4 757 | 5 239 | 10 486 | 11 060 | 11 060 | 11 060 | 11 434 | 12 039 | 12 646 |
| B KZN281 Umfolozi | 169 | 177 | 372 | 535 | 535 | 535 | 553 | 582 | 612 |
| B KZN282 uMhlathuze | 2 652 | 2 784 | 5 846 | 6 080 | 6 080 | 6 080 | 6 289 | 6 623 | 6 955 |
| B KZN283 Ntambanana | 233 | 245 | 514 | 535 | 535 | 535 | 553 | 582 | 612 |
| B KZN284 uMlalazi | 1 237 | 1 298 | 2 726 | 2 840 | 2 840 | 2 840 | 2 933 | 3 088 | 3 243 |
| B KZN285 Mthonjaneni | 233 | 245 | 514 | 535 | 535 | 535 | 553 | 582 | 612 |
| B KZN286 Nkandla | 233 | 490 | 514 | 535 | 535 | 535 | 553 | 582 | 612 |
| Total: Ilembe Municipalities | 1 920 | 2 016 | 4 566 | 4 755 | 4 755 | 4 755 | 4 901 | 5 161 | 5 420 |
| B KZN291 Mandeni | 468 | 490 | 1 362 | 1 420 | 1 420 | 1 420 | 1 454 | 1 531 | 1 609 |
| B KZN292 KwaDukuza | 1 219 | 1 281 | 2 690 | 2 800 | 2 800 | 2 800 | 2 894 | 3 048 | 3 199 |
| B KZN293 Ndwedwe | 233 | 245 | 514 | 535 | 535 | 535 | 553 | 582 | 612 |
| Total: Harry Gwala Municipalities | 1 535 | 1 611 | 3 383 | 3 710 | 3 710 | 3 710 | 3 834 | 4 036 | 4 240 |
| B KZN431 Ingwe | 363 | 381 | 800 | 835 | 835 | 835 | 861 | 907 | 952 |
| B KZN432 Kwa Sani | 152 | 159 | 334 | 535 | 535 | 535 | 553 | 582 | 612 |
| B KZN433 Greater Kokstad | 554 | 581 | 1 221 | 1 270 | 1 270 | 1 270 | 1 314 | 1 383 | 1 452 |
| B KZN434 Ubuhlebezwe | 233 | 245 | 514 | 535 | 535 | 535 | 553 | 582 | 612 |
| B KZN435 Umzimkulu | 233 | 245 | 514 | 535 | 535 | 535 | 553 | 582 | 612 |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | 31 110 | 116 004 | 225 111 | 234 360 | 198 182 | 198 182 | 212 586 | 225 691 | 238 519 |

Table 15.N : Transfers to local government - Community Library Services grant

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | 10 409 | 15 500 | 15 000 | 15 750 | 5 750 | 5 750 | 35 750 | 36 055 | 36 376 |
| Total: Ugu Municipalities | 875 | 916 | 1 314 | 1 381 | 1 015 | 1 015 | 1 826 | 1 923 | 2 023 |
| B KZN212 Umdoni | 271 | 287 | 360 | 378 | 378 | 378 | 510 | 537 | 565 |
| B KZN214 uMuziwabantu | 101 | 106 | 120 | 126 | 126 | 126 | 170 | 179 | 188 |
| B KZN215 Ezinqoleni | 96 | 101 | 120 | 126 | | | 170 | 179 | 188 |
| B KZN216 Hibiscus Coast | 407 | 422 | 714 | 751 | 511 | 511 | 976 | 1 028 | 1 082 |
| Total: uMgungundlovu Municipalities | 1 609 | 1 828 | 1 052 | 1 320 | 1 320 | 1 320 | 1 763 | 1 856 | 1 953 |
| B KZN221 uMshwathi | - | - | 120 | 126 | 126 | 126 | 170 | 179 | 188 |
| B KZN222 uMngeni | 196 | 207 | 240 | 252 | 252 | 252 | 340 | 358 | 377 |
| B KZN223 Mpofana | - | 85 | 120 | 126 | 126 | 126 | 170 | 179 | 188 |
| B KZN224 Impendle | 90 | 96 | 120 | 126 | 126 | 126 | 170 | 179 | 188 |
| B KZN225 Msunduzi | 1 119 | 1 226 | 193 | 418 | 418 | 418 | 552 | 581 | 612 |
| B KZN226 Mkhambathini | 119 | 124 | 139 | 146 | 146 | 146 | 191 | 201 | 212 |
| B KZN227 Richmond | 85 | 90 | 120 | 126 | 126 | 126 | 170 | 179 | 188 |
| Total: Uthukela Municipalities | 483 | 240 | 638 | 1 068 | 796 | 796 | 1 423 | 1 498 | 1 578 |
| B KZN232 Emnambithi/Ladysmith | 114 | 119 | 259 | 398 | 398 | 398 | 531 | 559 | 589 |
| B KZN233 Indaka | 85 | 18 | - | 146 | - | - | 191 | 201 | 212 |
| B KZN234 Umtshezi | 85 | - | 240 | 252 | 126 | 126 | 340 | 358 | 377 |
| B KZN235 Okhahlamba | 103 | 18 | 139 | 146 | 146 | 146 | 191 | 201 | 212 |
| B KZN236 Imbabazane | 96 | 85 | - | 126 | 126 | 126 | 170 | 179 | 188 |
| Total: Umzinyathi Municipalities | 614 | 568 | 855 | 798 | 816 | 816 | 1 083 | 1 140 | 1 200 |
| B KZN241 Endumeni | 191 | 106 | 336 | 252 | 252 | 252 | 340 | 358 | 377 |
| B KZN242 Nqutu | 219 | 247 | 260 | 274 | 292 | 292 | 382 | 402 | 423 |
| B KZN244 Msinga | 108 | 114 | 139 | 146 | 146 | 146 | 191 | 201 | 212 |
| B KZN245 Umvoti | 96 | 101 | 120 | 126 | 126 | 126 | 170 | 179 | 188 |
| Total: Amajuba Municipalities | 457 | 285 | 600 | 630 | 630 | 630 | 850 | 895 | 941 |
| B KZN252 Newcastle | 287 | 105 | 360 | 378 | 378 | 378 | 510 | 537 | 565 |
| B KZN253 eMadlangeni | 85 | 90 | 120 | 126 | 126 | 126 | 170 | 179 | 188 |
| B KZN254 Dannhauser | 85 | 90 | 120 | 126 | 126 | 126 | 170 | 179 | 188 |
| Total: Zululand Municipalities | 486 | 548 | 763 | 802 | 796 | 796 | 1 232 | 1 297 | 1 366 |
| B KZN261 eDumbe | 96 | 119 | 139 | 146 | 146 | 146 | 191 | 201 | 212 |
| B KZN262 uPhongolo | 96 | 118 | 125 | 132 | 126 | 126 | 340 | 358 | 377 |
| B KZN263 Abaqulusi | 186 | 197 | 240 | 252 | 252 | 252 | 340 | 358 | 377 |
| B KZN265 Nongoma | - | - | 120 | 126 | 126 | 126 | 170 | 179 | 188 |
| B KZN266 Ulundi | 108 | 114 | 139 | 146 | 146 | 146 | 191 | 201 | 212 |
| Total: Umkhanyakude Municipalities | 393 | 521 | 619 | - | 630 | 630 | 850 | 895 | 940 |
| B KZN271 Umhlabyalingana | 90 | 96 | 120 | - | 126 | 126 | 170 | 179 | 188 |
| B KZN272 Jozini | 101 | 106 | 120 | - | 126 | 126 | 170 | 179 | 188 |
| B KZN273 The Big 5 False Bay | - | - | - | - | - | - | - | - | - |
| B KZN274 Hlabisa | - | 108 | 139 | - | 126 | 126 | 170 | 179 | 188 |
| B KZN275 Mtubatuba | 202 | 211 | 240 | - | 252 | 252 | 340 | 358 | 376 |
| Total: uThungulu Municipalities | 1 104 | 1 241 | 1 363 | 1 562 | 1 556 | 1 556 | 2 061 | 2 156 | 2 268 |
| B KZN281 Umfolozi | - | - | - | 132 | 126 | 126 | 170 | 179 | 188 |
| B KZN282 uMhlathuze | 595 | 620 | 720 | 756 | 756 | 756 | 1 020 | 1 074 | 1 131 |
| B KZN283 Ntambanana | 85 | 90 | 120 | 126 | 126 | 126 | 170 | 179 | 188 |
| B KZN284 uMalazi | 204 | 215 | 259 | 272 | 272 | 272 | 361 | 366 | 385 |
| B KZN285 Mthonjaneni | 101 | 106 | 120 | 126 | 126 | 126 | 170 | 179 | 188 |
| B KZN286 Nkandla | 119 | 210 | 144 | 150 | 150 | 150 | 170 | 179 | 188 |
| Total: Ilembe Municipalities | 310 | 496 | 619 | 776 | 776 | 776 | 1 211 | 1 275 | 1 342 |
| B KZN291 Mandeni | 95 | 186 | 240 | 378 | 378 | 378 | 510 | 537 | 565 |
| B KZN292 KwaDukuza | 101 | 191 | 240 | 252 | 252 | 252 | 510 | 537 | 565 |
| B KZN293 Ndwedwe | 114 | 119 | 139 | 146 | 146 | 146 | 191 | 201 | 212 |
| Total: Harry Gwala Municipalities | 594 | 626 | 749 | 796 | 796 | 796 | 1 062 | 1 118 | 1 177 |
| B KZN431 Ingwe | 114 | 119 | 139 | 146 | 146 | 146 | 191 | 201 | 212 |
| B KZN432 Kwa Sani | 85 | 90 | 120 | 126 | 126 | 126 | 170 | 179 | 188 |
| B KZN433 Greater Kokstad | 186 | 197 | 240 | 252 | 252 | 252 | 340 | 358 | 377 |
| B KZN434 Ubuhlebezwe | 101 | 106 | 111 | 126 | 126 | 126 | 170 | 179 | 188 |
| B KZN435 Umzimkulu | 108 | 114 | 139 | 146 | 146 | 146 | 191 | 201 | 212 |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | 17 334 | 22 769 | 23 572 | 24 883 | 14 881 | 14 881 | 49 111 | 50 108 | 51 164 |

VOTE 16

Sport and Recreation

| | |
|---------------------------------|--|
| Operational budget | R 454 389 000 |
| MEC remuneration | Nil |
| Total amount to be appropriated | R 454 389 000 |
| Responsible MEC | MEC for Arts, Culture, Sport and Recreation ¹ |
| Administering department | Sport and Recreation |
| Accounting officer | Head: Sport and Recreation |

1. Overview

Vision

The vision of the Department of Sport and Recreation is: *An active and winning province through sport and recreation.*

Mission statement

The department's mission is: *To transform the sport and recreation environment through integrated, sustainable mass participation, development and high performance programmes at all levels by ensuring equitable access and alignment to government outcomes so as to improve the quality of life of all the citizens of KwaZulu-Natal.*

Strategic goals

The strategic goals of the department are to promote and contribute to:

- The health and well-being of the citizens of KZN.
- Improved performance through talent optimisation and development.
- Good governance and accountability in sport and recreation.
- Economic growth and opportunities through sport and recreation.
- Social cohesion and national identity through participation in sport and recreation.

Strategic objectives

Strategic policy direction: The department is responsible for the promotion and development of sport and recreation in KZN. The department has set the following strategic objectives to achieve this:

- *Administration:* To provide strategic administrative support to enable effective and efficient service delivery to internal and external stakeholders.
- *Management:* To provide strategic managerial direction and good governance through co-ordinated stakeholder consultations.
- *Community Sport Promotion and Development (Stakeholder Management):* To deliver sport development and high performance programmes through affiliated provincial sport federations and other entities.

¹ The salary of the MEC for Sport and Recreation is budgeted for under Vote 15: Arts and Culture.

- *Sport and Recreation Infrastructure Planning and Development (Facilities)*: To deliver sport and recreation facilities in communities and schools.
- *Club Development*: To promote mass participation and talent optimisation through support for clubs.
- *Sport and Recreation Strategic Projects (Special Projects)*: To promote the local economy and social cohesion by hosting/supporting major and mass-based sport events.
- *Organised Recreation Services (Recreation)*: To promote active and healthy lifestyles through participation in organised active recreation events.
- *Community Recreation (Siyadlala)*: To promote active and healthy lifestyles through mass participation programmes implemented in community activity hubs and clubs.
- *School Sport*: To provide an integrated and sustainable school sport and recreation programme in schools.

Core functions

Among others, the core functions of the department are to:

- Create a revitalised and transformed sport and recreation sector with improved corporate governance and accountability.
- Address poverty by delivering key departmental services at ward levels through the war-room intervention programme.
- Develop and implement a model for increasing funding for sport and recreation.
- Promote social cohesion across society by ensuring that there are adequate facilities for the majority of the population.
- Regulate partnerships with municipalities for the development and maintenance of sport and recreation facilities.
- Establish protocols to govern the relationships with the KZN Sport Confederation, district and local confederations and local ward committees.
- Promote active and healthy lifestyles through integrated and sustainable mass-based programmes from local to provincial levels.
- Improve the health and well-being of the nation by providing mass participation opportunities through active recreation.
- Use sport as a means to inspire and unite people by providing an avenue for physical and social transformation.
- Promote active and healthy lifestyles through integrated sustainable mass-based programmes from local to provincial levels.
- Develop elite athletes by providing them with opportunities to excel at international competitions.
- Develop and implement a talent identification toolkit that is inclusive of all participants in sport (athletes, coaches, administrators and technical officials).

Legislative and other mandates

Sport and recreation in South Africa are characterised and governed by the following main legislation:

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- National Sport and Recreation Act (Act No. 110 of 1998)
- National Sport and Recreation Amendment Act (Act No. 18 of 2007)
- Safety at Sport and Recreational Events Act (Act No. 2 of 2010)

- South African Boxing Act (Act No. 11 of 2001)
- Revised White Paper on Sport and Recreation, 2010
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Annual Division of Revenue Act
- Public Service Act (Act No. 103 of 1994) and Public Service Regulations, 2001
- Labour Relations Act (Act No. 66 of 1995)
- KZN Provincial Supply Chain Management Policy Framework (2006)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Promotion of Administrative Justice Act (Act No. 3 of 2000)
- Promotion of Equality and Prevention of Unfair Discrimination Act (Act No. 4 of 2000)
- Protected Disclosures Act (Act No. 26 of 2000)
- Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003)
- Public Service Co-ordinating Bargaining Council Resolutions
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Bidding and Hosting of International Sport and Recreational Events Regulations, 2010
- The South African Institute for Drug-Free Sport Act, 1997 (Act No. 10 of 1997)
- Employment Equity Act (Act No. 55 of 1998)
- Skills Development Act (Act No. 97 of 1998)
- Skills Development Levies Act (Act No. 9 of 1999)

The following bills have not yet been enacted:

- Fitness Industry Bill, 2013
- The South African Combat Sport Bill, 2013

2. Review of the 2014/15 financial year

Section 2 provides a review of 2014/15, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments.

General

The department continued to promote wellness and social cohesion. The Provincial Top Schools tournament was hosted at various venues. The department provided 198 clubs with equipment/attire, hosted 44 tournaments and created 700 jobs in its implementation of the war-room packages programme. In addition, the roll-out of the war-room package programme continued.

School sport

The department, in collaboration with the Department of Education, delivered the school sport programme. This programme aims to identify talent from an early age and maximise access to sport and recreation in every school in the province. The school sport programme was implemented by dividing clusters of schools into sport structures and leagues. Over 2 069 schools were successfully registered in the programme. The department hosted the Provincial Top Schools Tournament at various venues throughout the province from 3 to 5 October 2014, with 3 549 learners participating. The participating sporting codes that formed part of the tournament were football, athletics, chess, cricket, gymnastics, hockey, rugby, table tennis, tennis, volleyball, and jukskei, an indigenous game. The province won a silver medal at the National Top Schools Championships held in Pretoria from 10 to 15 December 2014.

Mass Participation Programme (MPP)

The department promoted mass participation within communities and schools through selected sport and recreation activities. The community mass participation programme (*Siyadlala*) was implemented through 117 activity hubs by 226 sport assistants employed on contract basis. The programme promoted aerobics, walking, jogging, self-defence, fitness classes, tournaments, festivals and code specific training to communities where the hubs were established. The department finalised a social impact assessment of this programme and found that the programme is a key mechanism of creating a cohesive community culture and placing self-worth at the forefront of community development in rural areas.

War-room packages/Sport for life

The department continued to roll-out the Operation *Sukuma Sakhe* (OSS) programmes through the war-room packages. The department provided 198 clubs with equipment/attire, hosted 44 tournaments and created 700 jobs in its implementation of the war-room packages programme. This supported the department's vision of developing skills through programmes such as sport for change, job creation, provision of equipment and attire.

Infrastructure development

The department completed the construction of 61 sport and recreation facilities, such as combination courts and kick-about sport fields by year-end. An audit was conducted on existing sport and recreation facilities in the province. The audit revealed that many sport facilities in rural areas require upgrades/refurbishments as a result of a lack of maintenance and vandalism. The department appointed 22 caretakers to manage and maintain sport fields.

Development of sporting talent

A total of 123 athletes selected from sport federations were exposed to scientific support at the Prime Human Performance Institute, which is a world class high performance and training facility based within Durban's Moses Mabhida Stadium. As part of the department's high performance strategy, the department adopted the Long Term Athlete Development (LTAD) programme as proposed by the South African Sports Confederation and Olympic Committee (SASCOC), a sport development framework that is based on human growth and development.

Annual youth camp

The department hosted its third annual youth camp at Sodwana Bay in October 2014 and a total of 319 youth participated. The youth camp aims to nurture a spirit of social cohesion and nation building, as well as providing the youth with life skills and values to help them develop into proud and patriotic citizens.

3. Outlook for the 2015/16 financial year

Section 3 looks at the key focus areas for 2015/16, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

Implementation of the school sport programme as the main mandate of the department will continue in 2015/16. The department will construct 11 outdoor gyms in prioritised wards. To promote transformation in sport talent optimisation, the department has entered into partnership with the Prime Human Performance Institute. The department is targeting to construct nine basic sport and recreation facilities, 11 kick-about sport facilities and 37 combination courts.

School sport

The department will continue to implement the school sport programme with the aim of identifying talent from an early age. The NDP states that schools must have access to adequate sport facilities to practice school sport and physical education. The department will implement this through the department's infrastructure development programme and ongoing negotiations with municipalities to ring-fence 15 per cent of the Municipal Infrastructure Grant (MIG) for construction of sport facilities. In 2015/16, the department will construct 37 combination courts in schools/communities.

Outdoor gyms

The construction of outdoor gyms is part of the implementation of the war-room packages programme. A war-room is a facility where departments co-ordinate their activities. Over the past three years, the department has constructed 33 outdoor gyms. In 2015/16, the department will construct 11 outdoor gyms in prioritised wards to promote active recreation and address the dangers of moral degeneration.

High performance sport system

The goal of the department's high performance sport system is to achieve results which will ensure that, by 2030, KZN is recognised as having one of the country's leading performance systems. In implementing this vision, the department has entered into partnership with the Prime Human Performance Institute to promote transformation in sport talent optimisation. Their training facilities offer the public access to equipment, personnel and techniques usually reserved for professional sportsmen such as high-altitude training room and treadmills. The department is targeting 10 people to benefit from the programme.

Infrastructure development

The department will continue building new sport facilities and refurbishing existing facilities in 2015/16. The department is targeting to construct nine basic sport and recreation facilities, 11 kick-about sport facilities and 37 combination courts. In addition, the department will upgrade/rehabilitate eight sport and recreation facilities. The department will transfer funds to the eThekweni Metro for the construction of a sports development centre in Durban. Due to challenges experienced by the Metro in respect of the location of the sports development centre, this construction was suspended from 2014/15 to 2015/16.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 16.1 below shows the sources of funding for Vote 16 over the seven-year period 2011/12 to 2017/18. The table also compares actual and budgeted receipts against actual and budgeted payments.

The department receives a provincial allocation in the form of an equitable share, and national conditional grant allocations in respect of the Mass Participation and Sport Development (MPSD) grant, the EPWP Integrated Grant for Provinces and the Social Sector EPWP Incentive Grant for Provinces.

Table 16.1 : Summary of receipts and financing

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Equitable share | 270 639 | 288 766 | 317 962 | 340 809 | 338 988 | 338 988 | 331 696 | 349 317 | 366 782 |
| Conditional grants | 87 694 | 91 548 | 84 760 | 95 595 | 95 595 | 95 595 | 92 693 | 91 254 | 96 730 |
| <i>Mass Participation and Sport Development grant</i> | 87 694 | 90 548 | 79 883 | 85 435 | 85 435 | 85 435 | 89 191 | 91 254 | 96 730 |
| <i>EPWP Integrated Grant for Provinces</i> | - | 1 000 | 550 | 2 102 | 2 102 | 2 102 | 2 000 | - | - |
| <i>Social Sector EPWP Incentive Grant for Provinces</i> | - | - | 4 327 | 8 058 | 8 058 | 8 058 | 1 502 | - | - |
| Total receipts | 358 333 | 380 314 | 402 722 | 436 404 | 434 583 | 434 583 | 424 389 | 440 571 | 463 512 |
| Total payments | 307 836 | 367 751 | 414 968 | 456 379 | 455 571 | 455 571 | 454 389 | 440 571 | 463 512 |
| Surplus/(Deficit) before financing | 50 497 | 12 563 | (12 246) | (19 975) | (20 988) | (20 988) | (30 000) | - | - |
| Financing | | | | | | | | | |
| <i>of which</i> | | | | | | | | | |
| Provincial roll-overs | - | - | - | - | 1 013 | 1 013 | - | - | - |
| Provincial cash resources | - | 6 875 | 13 275 | 19 975 | 19 975 | 19 975 | 30 000 | - | - |
| Surplus/(Deficit) after financing | 50 497 | 19 438 | 1 029 | - | - | - | - | - | - |

In 2011/12, the department under-spent by R50.497 million due to challenges experienced by the Department of Public Works (DOPW) in securing appropriate office space for establishing district offices in the Ugu and Harry Gwala districts, as well as appropriate office space for the department's head office. Budgeted vacant posts were not filled due to the non-implementation of the organisational structure which was under review at the time. Furthermore, the non-appointment of a HOD resulted in further under-spending by the department.

In 2012/13, an amount of R5.700 million was suspended from Provincial Treasury's Strategic Cabinet Initiatives Fund. This was for the hosting of the Soccerex, held in the province in October 2012. This event focused on growing football's legacy in Africa and brought together over 1 000 senior decision

makers in the football fraternity to share their expertise. The department was also allocated R1.175 million for the 2012 wage agreement. The under-spending of R19.438 million was due to the department not transferring funds to municipalities because of challenges experienced by municipalities with regard to the construction of sport facilities, non-filling of budgeted vacant posts, and delays in the construction of the Harry Gwala district offices due to DOPW not finding a suitable service provider. Furthermore, DOPW delayed submitting invoices for payments relating to the construction of the Ugu district office.

The department received additional funds amounting to R13.275 million in 2013/14. Of this, R1 million was allocated for spending on OSS initiatives and R12.275 million in respect of war-room packages. The under-expenditure of R1.029 million was due to the department withholding transfers to uMgungundlovu Academy of Sport (UAS) as a result of their lack of financial control and non-submission of the required documents, such as the close-out report.

Of the under-expenditure in 2013/14, R1.013 million was rolled over to 2014/15 for the reimbursement of funds to Provincial Treasury for payments made to the service providers of UAS. In addition, the department received provincial cash resources of R19.975 million in respect of war-room packages in line with the resolution taken by Cabinet.

The department is projecting to fully spend its 2014/15 allocation.

In 2015/16, the department is allocated R9.391 million with carry-through over the 2015/16 MTEF. These funds which were suspended from DEDTEA in respect of the Pietermaritzburg Bike City, are included in the department's equitable share and prior year figures have been adjusted for comparative purposes. Furthermore, the department was allocated R30 million from provincial cash resources in respect of the construction of the sports development centre in Durban. The construction of the sports development centre was suspended to 2015/16 due to challenges experienced by the eThekweni Metro in respect of the original site, which was Hoy Park. In addition, the department has been allocated funding in respect of the EPWP Integrated Grant for Provinces and Social Sector EPWP Incentive Grant for Provinces. However, there are no allocations in respect of both grants in the outer years of the MTEF, at this stage.

4.2 Departmental receipts collection

Table 16.2 below provides details of the revenue collection by this department from 2011/12 to 2017/18.

Details of departmental receipts are presented in *Annexure – Vote 16: Sport and Recreation*.

Table 16.2 : Summary of departmental receipts collection

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|------------|------------|--------------------|------------------------|------------------|-----------------------|------------|------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 77 | 38 | 241 | 75 | 75 | 75 | 80 | 85 | 89 |
| Transfers received | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | 239 | 371 | 384 | 170 | 170 | 170 | 190 | 200 | 210 |
| Transactions in financial assets and liabilities | 78 | 103 | 112 | 30 | 30 | 106 | 30 | 32 | 33 |
| Total | 394 | 512 | 737 | 275 | 275 | 351 | 300 | 317 | 332 |

Revenue collections made under *Sale of goods and services other than capital assets* are in respect of commission on insurance and garnishee orders, and fees from sale of tender documents. The significant revenue collection in 2013/14 relates to higher than anticipated fees in respect of tender documents. The increasing trend over the 2015/16 MTEF is due to inflationary increments.

Revenue received against *Sale of capital assets* in 2011/12, 2012/13, as well as 2013/14 related to the sale of redundant assets such as vehicles, computers, etc. The department is anticipating to fully collect its

budget in relation to the auctioning of redundant motor vehicles in 2014/15. It is difficult to budget for this category due to its uncertain nature.

The department also collects revenue from *Transactions in financial assets and liabilities*, mainly in respect of the recovery of staff debts. The fluctuations over the seven-year period can be ascribed to the inability to project for this category accurately due to its uncertain nature.

4.3 Donor funding – Nil

5. Payment summary

This section summarises the key assumptions, additional allocations, payments and budgeted estimates for the vote in terms of programmes and economic classification.

Details of the economic classification per programme are presented in *Annexure – Vote 16: Sport and Recreation*.

5.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- National Treasury imposed fiscal consolidation cuts on the equitable share and conditional grant allocations of provinces for 2015/16 and 2016/17. In KZN, the bulk of the equitable share cut is absorbed by reducing the Contingency Reserve, stopping of the Strategic Cabinet Initiatives Fund, etc. As part of the fiscal consolidation, National Treasury has not provided any funding for the carry-through costs of the 2014 wage agreement, and the department therefore had to fund these by internal reprioritisation and lowering growth of non-essential item budgets.
- Provision has been made for the filling of vacant posts, while taking into account the moratorium on the filling of non-critical vacant posts.
- All inflation related increases are based on CPI projections.
- Provision was made for an inflationary wage adjustment of 5.6 per cent in 2015/16, 5.5 per cent in 2016/17 and 5 per cent for 2017/18. The department also provided for a 1.5 per cent pay progression.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2014/15, will continue to be adhered to over the 2015/16 MTEF, in conjunction with National Treasury Instruction 01 of 2013/14: Cost-containment measures. However, the provincial cost-cutting measures have been updated to include those that were adopted by the Committee of HODs (COHODs) in December 2014, and an updated circular has been reissued to departments and public entities.

5.2 Additional allocations for the 2013/14 to 2015/16 MTEF

Table 16.3 shows additional funding received by the department over the three MTEF periods: 2013/14, 2014/15 and 2015/16.

Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants.

The purpose of such a table is two-fold. Firstly, it shows the additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated. The carry-through allocations for the 2013/14 and 2014/15 MTEF periods (i.e. for the financial year 2017/18) are based on the incremental percentage used in the 2015/16 MTEF.

Table 16.3 : Summary of additional provincial allocations for the 2013/14 to 2015/16 MTEF

| R thousand | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|---|----------------|----------------|-----------------|-----------------|-----------------|
| 2013/14 MTEF period | (4 090) | (8 432) | (10 461) | (10 942) | (11 489) |
| Census data update and 1%, 2% and 3% baseline cuts | (4 090) | (8 432) | (10 461) | (10 942) | (11 489) |
| 2014/15 MTEF period | | 50 506 | 1 103 | 1 256 | 1 319 |
| War-room intervention programme | | 19 975 | - | - | - |
| Carry-through of previous wage agreements | | 701 | 1 353 | 1 563 | 1 641 |
| Sports development centre | | 30 000 | - | - | - |
| uMgungundlovu Academy of Sport | | 1 000 | 1 000 | 1 000 | 1 050 |
| Centralisation of communications budget under OTP | | (820) | (850) | (889) | (933) |
| Centralisation of external bursaries budget under OTP | | (350) | (400) | (418) | (439) |
| 2015/16 MTEF period | | | 37 683 | 8 037 | 8 438 |
| Pmb Bike City shifted from DEDTEA | | | 9 391 | 9 832 | 10 323 |
| Joint Ministry funds moved to DAC | | | (2 108) | (2 213) | (2 324) |
| Sports development centre funds from 14/15 | | | 30 000 | - | - |
| Decentralisation of bursaries budget | | | 400 | 418 | 439 |
| Total | (4 090) | 42 074 | 28 325 | (1 649) | (1 733) |

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

In the 2014/15 MTEF, the department was allocated funding toward the war-room packages, in line with a resolution taken by Cabinet, as well as carry-through funding of previous wage agreements. In addition, the department was allocated once-off additional funding for the sports development centre and in respect of UAS, with carry-through over the 2014/15 MTEF. Furthermore, funds were suspended from the department in respect of the centralisation of parts of the communications budget, as well as the centralisation of parts of the external bursaries budget under the Office of the Premier (OTP).

In the 2015/16 MTEF, the department received funding from DEDTEA in respect of the Pietermaritzburg Bike City, as mentioned previously. In addition, funds were suspended to the Department of Arts and Culture (DAC), being the balance of the ministry funds that remained with the department after the two ministries were joined in 2009. This transfer was to ease the administrative burden of having this budget split across two departments. Funds in respect of the construction of the sports development centre were suspended from 2014/15 to 2015/16 due to challenges experienced by the eThekweni Metro with regard to the location of the sport development centre, as previously mentioned. Furthermore, funds which were previously centralised under OTP in respect of parts of the external bursaries budget were decentralised back to the department.

5.3 Summary of programme and economic classification

The budget and programme structure of the department is aligned with the uniform budget and programme structure for the Sport, Arts and Culture sector.

Tables 16.4 and 16.5 below provide a summary of the vote's payments and budgeted estimates over the seven-year period, by programme and economic classification, respectively.

There has been a generally steady increase in actual spending from 2011/12 to 2014/15. The department's budget decreases from 2014/15 to 2016/17. This is largely due to the various once-off allocations received by the department. Furthermore, the decrease can be attributed to the movement of funds to DAC in respect of the balance of the ministry funds, the impact of fiscal consolidation on the MPSD grant, as well as the non-allocation of funds in respect of both the EPWP Integrated Grant for Provinces and Social Sector EPWP Incentive Grant for Provinces.

Table 16.4 : Summary of payments and estimates by programme: Sport and Recreation

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 53 235 | 72 066 | 80 712 | 89 263 | 89 046 | 89 046 | 97 625 | 99 976 | 105 824 |
| 2. Sport and Recreation | 254 601 | 295 685 | 334 256 | 367 116 | 366 525 | 366 525 | 356 764 | 340 595 | 357 688 |
| Total | 307 836 | 367 751 | 414 968 | 456 379 | 455 571 | 455 571 | 454 389 | 440 571 | 463 512 |

Table 16.5 : Summary of payments and estimates by economic classification: Sport and Recreation

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 261 827 | 304 931 | 321 610 | 321 623 | 338 593 | 338 553 | 323 926 | 340 262 | 358 710 |
| Compensation of employees | 101 013 | 96 494 | 104 815 | 134 776 | 116 741 | 116 701 | 136 076 | 138 833 | 146 071 |
| Goods and services | 160 814 | 208 437 | 216 795 | 186 847 | 221 852 | 221 852 | 187 850 | 201 429 | 212 639 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 31 510 | 41 781 | 58 508 | 90 527 | 76 411 | 76 451 | 88 508 | 61 615 | 64 285 |
| Provinces and municipalities | 18 240 | 18 610 | 21 482 | 52 221 | 22 221 | 22 221 | 41 672 | 11 673 | 11 674 |
| Departmental agencies and accounts | 89 | 102 | 98 | 125 | 317 | 317 | 410 | 426 | 447 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 8 600 | 22 560 | 35 911 | 36 881 | 52 539 | 52 539 | 45 126 | 48 116 | 50 694 |
| Households | 4 581 | 509 | 1 017 | 1 300 | 1 334 | 1 374 | 1 300 | 1 400 | 1 470 |
| Payments for capital assets | 14 470 | 21 039 | 34 850 | 44 229 | 40 567 | 40 567 | 41 955 | 38 694 | 40 517 |
| Buildings and other fixed structures | 10 940 | 15 078 | 29 001 | 38 178 | 36 178 | 36 178 | 36 314 | 32 400 | 34 020 |
| Machinery and equipment | 2 482 | 5 510 | 5 499 | 5 529 | 3 867 | 3 867 | 5 219 | 5 849 | 6 045 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 1 048 | 451 | 350 | 522 | 522 | 522 | 422 | 445 | 452 |
| Payments for financial assets | 29 | - | - | - | - | - | - | - | - |
| Total | 307 836 | 367 751 | 414 968 | 456 379 | 455 571 | 455 571 | 454 389 | 440 571 | 463 512 |

The increase in spending from 2011/12 to the 2014/15 Main Appropriation against Programme 1: Administration is largely attributed to the carry-through costs in respect of various wage agreements. The slight decrease in the 2014/15 Adjusted Appropriation is due to funds moved to DAC in respect of the balance of the ministry funds that remained with the department after its ministry was amalgamated with the department in 2009. Furthermore, funds were deducted from the department's budget relating to previous years' irregular expenditure against *Goods and services*. The low growth from 2015/16 onward is mainly due to the completion of the Harry Gwala district office, as well as the carry-through of funds moved to DAC in respect of the balance of the ministry funds, as previously mentioned.

The spending against Programme 2: Sport and Recreation from 2012/13 to 2014/15 includes additional funding received from Provincial Treasury's Strategic Cabinet Initiatives Fund in respect of hosting of the Soccerex, as well as carry-through wage agreements. The department also received additional funding for the match between Bafana Bafana and Botswana, held at the Moses Mabhida Stadium in Durban in 2013. In addition, the department received funds in respect of OSS initiatives and war-room packages, as previously mentioned. The slight decrease in the 2014/15 Adjusted Appropriation is due to funds moved to Programme 1 for setting up of the department's new district offices in Ugu and Umzinyathi. The increase in 2015/16 and over the MTEF includes funds suspended from DEDTEA in respect of the Pietermaritzburg Bike City, once-off additional funding for the construction of the sports development centre, as well as carry-through funds in respect of the services previously provided by UAS. The decrease from 2015/16 onward compared to 2014/15 is due to the decrease in the allocation against the MPSD grant as a result of the impact of the fiscal consolidation and the non-allocation of the EPWP Integrated Grant for Provinces and Social Sector EPWP Incentive Grant for Provinces in the outer years.

The decrease in spending against *Compensation of employees* in 2012/13 was due to staff terminations and resignations, as well as the decrease in the number of volunteers appointed due to the fact that, when volunteers have been trained and capacitated, they obtain permanent employment in other departments. Furthermore, the National Department of Sport and Recreation (NDOSR) directed the department to train

teachers to undertake the duties of the volunteers. The decrease in the 2014/15 Adjusted Appropriation is due to the non-filling of budgeted vacant posts as a result of lengthy recruitment processes. The increase over the 2015/16 MTEF relates to the planned implementation of the full organisational structure as per the moratorium on filling of non-critical vacant posts, as well as inflationary increments. The organisational structure was approved in 2013 and implementation commenced in 2014 in a phased-in approach.

Spending against *Goods and services* fluctuates over the seven-year period. The 2013/14 spending includes the reprioritisation of funds from *Compensation of employees* and *Buildings and other fixed structures* for the appointment of contract employees to assist various units within the department with matters such as SCM procedures, as well as the payment of the MEC's subsistence and travel allowance. In addition, the department received additional funding in 2013/14 in respect of carry-through funds for the hosting of the Soccerex, as well as the match between Bafana Bafana and Botswana, as mentioned previously. Also, funds were allocated for the war-room packages, as well as OSS initiatives. The increase in the 2014/15 Adjusted Appropriation can be attributed to funds reprioritised from *Compensation of employees* for hosting of major events such as the International Boxing Organisation (IBO) Flyweight Boxing title and Msinga Super Driftkhana. Furthermore, the department received additional funding in 2014/15 in respect of the U19 International Football Tournament, carry-through funds for Soccerex, MTN 8 Cup Final and the 4th Karate World Cup, as previously mentioned. This explains the decrease in 2015/16. The increase in the outer years is due to inflationary increments.

Transfers and subsidies to: Provinces and municipalities relates to the construction of new sport and recreation facilities such as combination courts, with municipalities as implementing agents. The substantial increase in the 2014/15 Main Appropriation is due to once-off additional funding allocated for the construction of the sports development centre in Durban. As mentioned, the construction of the sports development centre was suspended to 2015/16 due to challenges experienced by the eThekweni Metro in respect of the original site which was Hoy Park. The substantial decrease in the outer years is due to the department's decision to minimise the use of municipalities as implementing agents for the construction and maintenance of sport facilities due to continuous delays by municipalities in commencing and concluding construction of sport facilities.

Transfers and subsidies to: Departmental agencies and accounts relates to payments to the Tourism and Hospitality, Education and Training Authority (THETA) in respect of the skills development levy and the payment of television licences for the department. The decrease in 2013/14 compared to 2012/13 is due to staff exits which resulted in a lower levy paid. The increase in the 2014/15 Adjusted Appropriation is due to the department inadvertently omitting the new calculation method for the skills development levy during the compilation of the 2014/15 budget. The increase over the 2015/16 MTEF can be attributed to planned filling of critical posts as per the moratorium on the filling of non-critical vacant posts.

Transfers and subsidies to: Non-profit institutions caters for transfers to sporting federations and other sporting bodies to assist with the promotion and development of sport and recreation. The substantial increase in 2012/13 is due to the increase in transfers to some of the sporting federations and sporting bodies who assist with the promotion and development of sport and recreation, such as KZN Cycling, KZN Athletics and Netball Umzinyathi. The increase in 2013/14 is due to the re-classification of spending in respect of support to sport academies and confederations. The MPSD grant business plan stipulates that the department should assist provincial sport academies and confederations with the setting up, capacitation and purchase of sport equipment, attire and kits, and these were inadvertently allocated against *Goods and services*. The increase in the 2014/15 Adjusted Appropriation is mainly attributed to additional funding received for hosting of the 20th AIMS congress, Duzi Canoe Marathon and the suspension of Pietermaritzburg Bike City funding from DEDTEA. The allocation against the 2015/16 MTEF includes carry-through funds suspended from DEDTEA for the Pietermaritzburg Bike City.

Transfers and subsidies to: Households caters for leave gratuities, which are difficult to budget for due to their uncertainty, as well as external bursary payments. The high spending in 2011/12 compared to 2012/13 and 2013/14 is due to the inclusion of arbitration costs which were paid out to three employees of the department. The allocation over the 2015/16 MTEF relates to external bursary payments.

The increase from 2012/13 to 2013/14 against *Buildings and other fixed structures* is due to the number of construction projects that the department undertook directly. Spending in 2013/14 includes the completion of the Ugu district office, as well as additional funding received for war-room packages, as mentioned previously. These funds were used for the construction of outdoor gyms and kick-about fields. The slight decrease in the 2014/15 Adjusted Appropriation is because funds were reprioritised to *Goods and services* due to quotes being lower than budgeted for in respect of the construction of sport facilities by the department such as Nyazini, Denge and Mabedlane sport fields. The MTEF allocation fluctuates due to the department's decision to not undertake a large number of new construction projects but to complete all current projects before commencing with new construction.

Spending against *Machinery and equipment* fluctuates over the seven-year period due to purchases being largely cyclical in nature. The 2013/14 spending includes the purchase of an access control system for the department as instructed by the A-G. The decrease in the 2014/15 Adjusted Appropriation is due to challenges experienced by department with regard to occupation of the newly leased Dundee district office. This resulted in the purchase of machinery and equipment such as printers, laptops, furniture etc., being postponed. These funds were reprioritised to *Goods and services*. The increase over the 2015/16 MTEF provides for the purchase of office and computer equipment and access control security system for the Harry Gwala district office, as well as for newly appointed staff in line with the implementation of organisational structure.

The high 2011/12 spending against *Software and other intangible assets* is due to enhancement of the Project Proposal Management System software. The decrease in 2013/14 is due to delays in the hand-over of the Ugu district office as a result of the exclusion of the perimeter brick fence. These delays resulted in the department delaying the purchase of computer software required by the new district office. The increase over the 2015/16 MTEF can be attributed to the purchase of new software for the Harry Gwala district office, as well as maintenance of the department's computer software.

Spending against *Payments for financial assets* in 2011/12 relates to the write-off of staff debts.

5.4 Summary of conditional grant payments and estimates

Tables 16.6 and 16.7 summarise payments and estimates in respect of the MPSD grant, the EPWP Integrated Grant for Provinces and the Social Sector EPWP Incentive Grant for Provinces, as explained below.

The MPSD grant consists of school sport, community mass participation and club development.

The EPWP Integrated Grant for Provinces and the Social Sector EPWP Incentive Grant for Provinces consists of employment of volunteers and the purchase of sport equipment and attire for provincial sport academies and confederations.

Note that the historical figures set out in Table 16.7 below reflect actual expenditure, and should not be compared to those reflected in Table 16.1, which represent the actual receipts per grant.

Further details are given in *Annexure – Vote 16: Sport and Recreation*.

Table 16.6 : Summary of conditional grants payments and estimates by name

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | | 2014/15 | | 2015/16 | 2016/17 | 2017/18 |
| Mass Participation and Sport Development grant | 87 694 | 90 548 | 79 883 | 85 435 | 85 435 | 85 435 | 89 191 | 91 254 | 96 730 |
| EPWP Integrated Grant for Provinces | - | 1 000 | 550 | 2 102 | 2 102 | 2 102 | 2 000 | - | - |
| Social Sector EPWP Incentive Grant for Provinces | - | - | 4 327 | 8 058 | 8 058 | 8 058 | 1 502 | - | - |
| Total | 87 694 | 91 548 | 84 760 | 95 595 | 95 595 | 95 595 | 92 693 | 91 254 | 96 730 |

Table 16.7 : Summary of conditional grants payments and estimates by economic classification

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 87 694 | 91 548 | 79 518 | 86 364 | 86 364 | 86 364 | 79 652 | 83 874 | 89 350 |
| Compensation of employees | 35 625 | 15 394 | 16 417 | 21 256 | 21 256 | 21 256 | 14 543 | 15 507 | 15 850 |
| Goods and services | 52 069 | 76 154 | 63 101 | 65 108 | 65 108 | 65 108 | 65 109 | 68 367 | 73 500 |
| Other | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | - | - | 5 242 | 9 231 | 9 231 | 9 231 | 13 041 | 7 380 | 7 380 |
| Provinces and municipalities | - | - | 550 | 2 102 | 2 102 | 2 102 | 2 000 | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | 4 692 | 7 129 | 7 129 | 7 129 | 11 041 | 7 380 | 7 380 |
| Households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 87 694 | 91 548 | 84 760 | 95 595 | 95 595 | 95 595 | 92 693 | 91 254 | 96 730 |

Spending against the MPSD grant fluctuates from 2011/12 to 2013/14. The decrease in 2013/14 is mainly ascribed to the directive from NDOSR to minimise the use of volunteers, and to rather train teachers to implement the tasks of volunteers. The low growth over the 2015/16 MTEF is mainly due to the decrease in allocation as a result of the impact of the fiscal consolidation.

The department was allocated funds in respect of the EPWP Integrated Grant for Provinces from 2012/13. Spending against this grant in 2012/13 was in respect of the payment of volunteers employed, such as hub co-ordinators, in order to retain volunteers employed, while spending from 2013/14 was in respect of maintenance of sport facilities constructed by the department. The municipalities employ maintenance staff to maintain the sport facilities. Spending against the Social Sector Incentive Grant for Provinces is for the employment of volunteers as contract workers.

The substantial decrease in *Compensation of employees* from 2012/13 is due to the directive from NDOSR to minimise the use of volunteers employed under the MPSD grant, as previously mentioned. The increase in 2014/15 can be ascribed to the increase in the Social Sector EPWP Incentive Grant for Provinces. The decrease over the 2015/16 MTEF compared to 2014/15 is due to the decrease in allocation in respect of the Social Sector EPWP Incentive Grant for Provinces. Furthermore, no funds have been allocated in respect of both of the EPWP grants in the outer years, at this stage.

Spending against *Goods and services* relates to the implementation of the school sport programme which involves the purchase of sport attire, kits, as well as hosting of sport tournaments such as the Provincial Top Schools Tournament. The increase in 2012/13 is due to the reprioritisation of funds from the employment of volunteers to the revival of school sport. The increase over the 2015/16 MTEF is due to inflationary increments.

Allocations against *Transfers and subsidies to: Provinces and municipalities* relates to transfers to municipalities for the maintenance of sport fields constructed by the department, as previously mentioned. The department utilises the EPWP Integrated Grant for Provinces for transfers to municipalities for the maintenance of sport facilities constructed by the department. The department has not allocated any funds in the outer years due to the non-allocation against the EPWP Integrated Grant for Provinces, at this stage.

Transfers and subsidies to: Non-profit institutions relates to transfers to sporting federations and other sporting bodies to assist with the promotion and development of sport and recreation. The peak in 2015/16 is due to the conditional grant framework prescribing that the department should contribute to the construction of the National Training Centre which will serve all national teams. The centre will provide accommodation required for training of national teams.

5.5 Summary of infrastructure payments and estimates

Table 16.8 below illustrates infrastructure spending over the seven-year period.

The infrastructure budget of the department fluctuates over the seven-year period, as explained below.

Table 16.8 : Summary of infrastructure payments and estimates by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Existing infrastructure assets | 1 745 | 157 | - | - | - | - | - | - | - |
| Maintenance and repair: Current | 1 745 | 157 | - | - | - | - | - | - | - |
| Upgrades and additions: Capital | - | - | - | - | - | - | - | - | - |
| Refurbishment and rehabilitation: Capital | - | - | - | - | - | - | - | - | - |
| New infrastructure assets: Capital | 10 940 | 15 078 | 29 001 | 38 178 | 36 178 | 36 178 | 36 314 | 32 400 | 34 020 |
| Infrastructure transfers | 18 224 | 18 600 | 21 465 | 52 200 | 22 200 | 22 200 | 41 650 | 11 650 | 11 650 |
| Infrastructure transfers: Current | 3 300 | 4 950 | 3 300 | 3 300 | 3 300 | 3 300 | 1 650 | 1 650 | 1 650 |
| Infrastructure transfers: Capital | 14 924 | 13 650 | 18 165 | 48 900 | 18 900 | 18 900 | 40 000 | 10 000 | 10 000 |
| Infrastructure: Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure: Leases | - | - | - | - | - | - | - | - | - |
| Total | 30 909 | 33 835 | 50 466 | 90 378 | 58 378 | 58 378 | 77 964 | 44 050 | 45 670 |
| <i>Capital infrastructure</i> | 25 864 | 28 728 | 47 166 | 87 078 | 55 078 | 55 078 | 76 314 | 42 400 | 44 020 |
| <i>Current infrastructure</i> | 5 045 | 5 107 | 3 300 | 3 300 | 3 300 | 3 300 | 1 650 | 1 650 | 1 650 |

Maintenance and repairs: Current caters for repairs to office buildings and sporting facilities. The substantial spending in 2011/12 relates to carry-through costs from 2010/11 in respect of maintenance and repairs, such as resurfacing of combination courts and the erection of fences. The substantial decrease in 2012/13 is due to the department not undertaking the maintenance of the Maphumulo sport field. The department did not undertake any maintenance from 2013/14 onward due to the department reprioritising funds to *Infrastructure transfers: Capital*, for the construction of sport fields. Although the department has not budgeted for any maintenance and repairs to be undertaken by the department directly over the 2015/16 MTEF, in-year adjustments will be made should the need arise.

Spending in 2013/14 against *New infrastructure assets: Capital* includes the completion of the Ugu district office and the war-room packages, as previously mentioned. The increase in 2014/15 includes carry-through funds for the war-room packages. The slight decrease in the 2014/15 Adjusted Appropriation is due to funds reprioritised to *Goods and services* due to the department receiving lower quotes than budgeted for in respect of the construction of sport facilities by the department, such as the Nyazini, Denge and Mabedlane sport fields. The MTEF allocation fluctuates due to the department's decision to not undertake a large number of construction projects but to complete all current projects before commencing with new construction.

Spending against *Infrastructure transfers: Current* relates to the maintenance grants that are paid to municipalities for the maintenance of sport facilities constructed by the department. The decrease over the 2015/16 MTEF is due to the department's decision to minimise the use of municipalities as implementing agents for the maintenance of sport facilities due to the continuous delays by municipalities in commencing and concluding maintenance of sport facilities.

Infrastructure transfers: Capital relates to capital projects undertaken by the municipalities, such as the construction of sport and recreational facilities. The 2014/15 Main Appropriation includes the once-off transfers to the eThekweni Metro in respect of the construction of the sports development centre. This transfer was suspended in the 2014/15 Adjusted Appropriation to 2015/16, as previously mentioned. The decrease in the outer years is due to the department's decision to minimise the use of municipalities as implementing agents for the construction of sport facilities due to continuous delays experienced by municipalities, as previously mentioned.

5.6 Summary of Public Private Partnerships – Nil

5.7 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

5.8 Transfers to other entities

Table 16.9 below indicate the transfer payments that the department makes to sporting organisations for the promotion and development of sport and recreation in the province. Note that all transfer payments fall under *Transfers and subsidies to: Non-profit institutions*.

Table 16.9 : Summary of departmental transfers to other entities

| R' thousand | Sub-programme | Audited outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimate | | |
|---|----------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|----------------------|---------------|---------------|
| | | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Age-in-Action | 2.4 Recreation | 100 | 220 | 280 | 380 | 220 | 220 | 286 | 286 | 286 |
| Comrades Marathon (Aims Congress) | 2.2 Sport | - | - | - | - | 1 000 | 1 000 | - | - | - |
| Council for Scientific Industrial Research (CSIR) | 2.2 Sport | 400 | 500 | - | - | - | - | - | - | - |
| Cycling SA | 2.2 Sport | - | 3 600 | 8 700 | - | 12 600 | 12 600 | 9 391 | 9 832 | 10 323 |
| Fedansa (Dance Sport) | 2.2 Sport | 225 | - | - | 250 | - | - | - | - | - |
| Gandhi Development Trust | 2.2 Sport | - | - | - | - | 300 | 300 | - | - | - |
| GIBA Gorge BMX Track & Academy | 2.2 Sport | - | - | - | 200 | - | - | - | - | - |
| KZN Academy of Sport | 2.2 Sport | 950 | 900 | 2 200 | 3 774 | - | - | 4 460 | 4 563 | 4 836 |
| KZN Amateur Boxing Association | 2.2 Sport | 300 | 325 | - | 350 | - | - | 400 | 450 | 470 |
| KZN Aquatics Association | 2.2 Sport | 845 | 575 | 2 087 | 2 200 | 2 989 | 2 989 | 2 500 | 3 200 | 3 400 |
| KZN Athletics Association | 2.2 Sport | 450 | 900 | 5 628 | 4 101 | 4 700 | 4 700 | 3 500 | 3 700 | 4 000 |
| KZN Badminton Association | 2.2 Sport | 50 | - | - | - | - | - | - | - | - |
| KZN Baseball | 2.2 Sport | 145 | 175 | 200 | 370 | 350 | 350 | 300 | 400 | 450 |
| KZN Basketball | 2.2 Sport | 100 | - | - | - | - | - | 200 | 300 | 350 |
| KZN Billiards and Snooker | 2.2 Sport | - | - | 50 | 60 | 75 | 75 | 80 | 90 | 100 |
| KZN Canoe Union | 2.2 Sport | 175 | 225 | 4 562 | 480 | 150 | 150 | 160 | 250 | 300 |
| KZN Chess Union | 2.2 Sport | 100 | - | 120 | 130 | 250 | 250 | 250 | 290 | 300 |
| KZN Cricket Union (Coastal) | 2.2 Sport | 400 | 1 450 | 300 | 1 400 | 3 000 | 3 000 | 2 700 | 3 000 | 3 000 |
| KZN Cycling | 2.2 Sport | - | 1 850 | 217 | 370 | 300 | 300 | 100 | 100 | 100 |
| KZN Darts | 2.2 Sport | - | - | - | 50 | 49 | 49 | 55 | 60 | 60 |
| KZN Disability Sport (KZNDISSA) | 2.2 Sport | 380 | 410 | 1 770 | 350 | 3 842 | 3 842 | 2 500 | 2 500 | 2 500 |
| KZN Fly-fishing | 2.2 Sport | 30 | 20 | 50 | 60 | 75 | 75 | 75 | 80 | 85 |
| KZN Golf Union | 2.2 Sport | 90 | 100 | 160 | 170 | 300 | 300 | 300 | 320 | 320 |
| KZN Gymnastics | 2.2 Sport | 300 | 325 | 508 | 620 | 555 | 555 | 500 | 570 | 580 |
| KZN Handball | 2.2 Sport | 50 | 75 | 151 | 155 | - | - | - | - | - |
| KZN Hockey (Coastal and Midlands) | 2.2 Sport | 260 | 300 | 330 | 355 | 350 | 350 | 350 | 370 | 390 |
| KZN Inland Cricket | 2.2 Sport | 150 | 175 | 378 | 500 | - | - | - | - | - |
| KZN Karate | 2.2 Sport | 50 | - | - | - | - | - | - | - | - |
| KZN Lifesaving | 2.2 Sport | - | - | - | - | 100 | 100 | - | - | - |
| KZN Netball | 2.2 Sport | 385 | 140 | - | 1 750 | - | - | - | - | - |
| KZN Olympic Style Boxing | 2.2 Sport | - | - | 369 | - | 400 | 400 | - | - | - |
| KZN Rowing | 2.2 Sport | - | - | 100 | 110 | - | - | 120 | 125 | 130 |
| KZN Rugby Union | 2.2 Sport | 550 | 3 475 | 314 | 2 300 | 3 000 | 3 000 | 3 000 | 3 200 | 3 346 |
| KZN Sailing | 2.2 Sport | - | - | 120 | 180 | 800 | 800 | 300 | 320 | 340 |
| KZN Softball | 2.2 Sport | 50 | 75 | 95 | 105 | 300 | 300 | 300 | 310 | 320 |
| KZN Sports Council | 2.2 Sport | 80 | 900 | - | - | - | - | - | - | - |
| KZN Surf Riders Association | 2.2 Sport | 50 | 150 | 200 | 270 | 200 | 200 | - | - | - |
| KZN Ten Pin Bowling | 2.2 Sport | - | - | - | 50 | - | - | - | - | - |
| KZN Tennis | 2.2 Sport | 150 | - | - | - | - | - | - | - | - |
| KZN Triathlon | 2.2 Sport | - | - | 140 | 150 | 250 | 250 | 200 | 260 | 270 |
| KZN Volleyball | 2.2 Sport | 200 | - | 400 | 540 | 750 | 750 | 700 | 750 | 750 |
| Marine Lifesaving | 2.2 Sport | - | - | - | - | - | - | 50 | 50 | 50 |
| Natal Canoe Club (Dusi Canoe Marathon & Academy) | 2.2 Sport | - | 1 050 | - | 1 800 | 5 810 | 5 810 | 1 800 | 1 800 | 2 000 |
| Natal Deep Sea Angling | 2.2 Sport | - | 40 | - | 110 | 100 | 100 | 75 | 135 | 140 |
| National Training Centre | 2.2 Sport | - | - | - | - | - | - | 4 014 | 4 106 | 4 353 |
| Prime Human Performance | 2.2 Sport | - | - | - | 3 380 | - | - | - | - | - |
| Sail Africa | 2.2 Sport | - | - | - | - | - | - | 300 | 320 | 340 |
| SA World Transplant | 2.2 Sport | - | 2 500 | - | - | - | - | - | - | - |
| SAFA - KZN | 2.2 Sport | 600 | 770 | 600 | 1 806 | 1 415 | 1 415 | 1 778 | 1 899 | 2 000 |
| SASCOC | 2.2 Sport | - | - | 1 196 | - | - | - | - | - | - |
| Sports Academies | 2.2 Sport | - | - | - | - | 3 774 | 3 774 | - | - | - |
| uMgungundlovu Academy of Sport | 2.2 Sport | - | - | 3 221 | 1 990 | - | - | - | - | - |
| University Sport South Africa (USSA) | 2.2 Sport | 75 | - | - | - | - | - | - | - | - |
| Children Rights Centre | 2.4 Recreation | 75 | 150 | 160 | 180 | 200 | 200 | 184 | 184 | 194 |
| Clare Estate Senior Citizens | 2.4 Recreation | - | - | 30 | - | - | - | - | - | - |
| Dare to Dream | 2.4 Recreation | 120 | 150 | 190 | 290 | 180 | 180 | 194 | 194 | 219 |
| Harness Racing Association | 2.4 Recreation | 175 | 215 | 210 | 430 | - | - | 235 | 235 | 235 |
| Higher Ground (Therapeutic Recreation) | 2.4 Recreation | 25 | 44 | - | 75 | - | - | 76 | 76 | 107 |
| I-Care | 2.4 Recreation | - | 50 | 60 | 140 | 100 | 100 | 92 | 92 | 92 |
| KZN Indigenous Games Association | 2.4 Recreation | 175 | 200 | 225 | 460 | - | - | 265 | 265 | 265 |
| KZN Lovelife | 2.4 Recreation | 150 | 150 | - | 170 | - | - | 173 | 173 | 173 |
| KZN Rural Horse Riding Association | 2.4 Recreation | 110 | 180 | 250 | 420 | 200 | 200 | 224 | 224 | 224 |
| KZN Sport Confederation | 2.4 Recreation | - | - | - | 3 355 | 3 355 | 3 355 | 2 568 | 2 650 | 2 869 |
| Lifesaving South Africa (Water Safety) | 2.4 Recreation | - | 70 | 80 | 95 | - | - | 116 | 116 | 116 |
| Roseland's Trust (Butterfly Project) | 2.4 Recreation | 30 | 56 | 95 | 190 | 100 | 100 | 92 | 108 | 92 |
| SA Thola Association | 2.4 Recreation | 50 | 70 | 75 | 90 | 100 | 100 | 92 | 92 | 92 |
| South Coast Horse Care Unit | 2.4 Recreation | - | - | 50 | 120 | 100 | 100 | 71 | 71 | 127 |
| Trotters SA | 2.4 Recreation | - | - | - | - | 200 | 200 | - | - | - |
| Verulam Day and Frail Care Centre | 2.4 Recreation | - | - | 40 | - | - | - | - | - | - |
| Total | | 8 600 | 22 560 | 35 911 | 36 881 | 52 539 | 52 539 | 45 126 | 48 116 | 50 694 |

The department allocates funds to sporting organisations only once they have met all requirements for the transfer to be effected. The department receives business plans from these organisations and, based on

these plans, funds are allocated for transfer payments. In previous years, this process was done during the year, and the amounts allocated to specific recipients were formalised during the Adjustments Estimate.

The substantial increase in 2012/13 is due to the increase in transfers to some of the sporting federations and sporting bodies, such as KZN Cycling, KZN Athletics and Netball Umzinyathi. The 2013/14 increase is due to the re-classification of spending in respect of support to sport academies and confederations, as mentioned. The increase in the 2014/15 Adjusted Appropriation mainly relates to additional funding for hosting the 20th AIMS congress, Pietermaritzburg Bike City and Duzi Canoe Marathon. The MTEF allocation includes carry-through funds suspended from DEDTEA for Pietermaritzburg Bike City.

5.9 Transfers to local government

Tables 16.10 and 16.11 indicate transfers made to local government by category and by grant name. Details per municipality are reflected in *Annexure – Vote 16: Sport and Recreation*. The transfers made against the three categories cater for transfer payments to the Metro, local and district municipalities as implementing agents for the construction of sport and recreation facilities. It should be noted that transfers to local government includes funds in respect of motor vehicle licences. These funds will not be transferred to any municipality and, hence, the amounts are not reflected in Tables 16.10 and 16.11.

Table 16.10 : Summary of departmental transfers to local government by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Category A | - | 525 | - | 30 000 | - | - | 30 000 | - | - |
| Category B | 16 439 | 16 500 | 21 465 | 22 200 | 22 200 | 22 200 | 11 650 | - | - |
| Category C | 1 785 | 1 575 | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | 11 650 | 11 650 |
| Total | 18 224 | 18 600 | 21 465 | 52 200 | 22 200 | 22 200 | 41 650 | 11 650 | 11 650 |

Table 16.11 : Summary of departmental transfers to local government by grant name

| R thousand | Sub-programme | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------|---------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Infrastructure | 2.2 Sport | 14 924 | 13 650 | 18 165 | 48 900 | 18 900 | 18 900 | 40 000 | 10 000 | 10 000 |
| Maintenance grant | 2.2 Sport | 3 300 | 4 950 | 3 300 | 3 300 | 3 300 | 3 300 | 1 650 | 1 650 | 1 650 |
| Total | | 18 224 | 18 600 | 21 465 | 52 200 | 22 200 | 22 200 | 41 650 | 11 650 | 11 650 |

Category A relates to transfers made to the eThekweni Metro. The 2012/13 allocation relates to the construction of the KwaMashu sport field. The substantial allocation in 2014/15 Main Appropriation relates to once-off funding for the construction of a sports development centre in Durban. As previously mentioned, due to challenges experienced by the Metro, these funds were suspended to 2015/16.

Category B relates to transfers to municipalities for the construction and maintenance of sport facilities. Due to continuous challenges experienced by municipalities with the construction and maintenance of sport facilities on behalf of the department, the department decided to minimise the use of municipalities as implementing agents and to undertake construction directly. The 2015/16 allocation relates to municipalities which have carry-through infrastructure projects such as Newcastle, Ntambanana and uMlalazi municipalities.

Category C catered for transfers to the Amajuba District Municipality for the construction of the Madadeni sport field in 2011/12 and Phelindaba sport field in 2012/13.

It should be noted that due to the nature of the construction, some of these projects are rolled out over two financial years. For 2016/17 and 2017/18, the funding is reflected against *Unallocated*. The department will allocate the funds to the respective municipalities once a comprehensive facilities' audit has been conducted, where the beneficiary municipalities will be identified.

Infrastructure relates to funds transferred to municipalities for the construction of sport facilities, such as the Umkhanyakude, uThungulu and Ilembe sport fields. The 2014/15 Main Appropriation includes the once-off transfers to the eThekweni Metro for the construction of the sports development centre. This

transfer was suspended to 2015/16, as previously mentioned. The decrease in the outer years relates to the department's decision to minimise the use of municipalities as implementing agents for the construction of sport facilities due to the continuous delays experienced by municipalities, as previously mentioned.

Maintenance grant caters for transfers to municipalities for the upkeep of sport facilities constructed by the department. The increase in 2012/13 is due to the increase in the number of municipalities receiving transfers. The decrease over the 2015/16 MTEF is due to the department's decision to minimise the use of municipalities as implementing agents for the maintenance of sport facilities, as previously mentioned.

5.10 Transfers and subsidies

Table 16.12 below is a summary of spending on *Transfers and subsidies* by programme and main category. The table reflects a fluctuating trend from 2011/12 to 2017/18 for the category as a whole.

Table 16.12 : Summary of transfers and subsidies by programme and main category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|------------------------------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 144 | 156 | 356 | 146 | 354 | 394 | 432 | 449 | 471 |
| Provinces and municipalities | 16 | 10 | 17 | 21 | 21 | 21 | 22 | 23 | 24 |
| Motor vehicle licences | 16 | 10 | 17 | 21 | 21 | 21 | 22 | 23 | 24 |
| Departmental agencies and accounts | 89 | 102 | 98 | 125 | 317 | 317 | 410 | 426 | 447 |
| Skills Development Levy - THETA | 89 | 101 | 96 | 125 | 314 | 314 | 405 | 421 | 442 |
| SABC TV Licence | - | 1 | 2 | - | 3 | 3 | 5 | 5 | 5 |
| Households | 39 | 44 | 241 | - | 16 | 56 | - | - | - |
| Other transfers to households | 39 | 44 | 241 | - | 16 | 56 | - | - | - |
| 2. Sport and Recreation | 31 366 | 41 625 | 58 152 | 90 381 | 76 057 | 76 057 | 88 076 | 61 166 | 63 814 |
| Provinces and municipalities | 18 224 | 18 600 | 21 465 | 52 200 | 22 200 | 22 200 | 41 650 | 11 650 | 11 650 |
| Sport facilities | 18 224 | 18 600 | 21 465 | 52 200 | 22 200 | 22 200 | 41 650 | 11 650 | 11 650 |
| Non-profit institutions | 8 600 | 22 560 | 35 911 | 36 881 | 52 539 | 52 539 | 45 126 | 48 116 | 50 694 |
| Sport federations | 8 600 | 22 560 | 35 911 | 36 881 | 52 539 | 52 539 | 45 126 | 48 116 | 50 694 |
| Households | 4 542 | 465 | 776 | 1 300 | 1 318 | 1 318 | 1 300 | 1 400 | 1 470 |
| Other transfers to households | 1 542 | 87 | 74 | - | 18 | 18 | - | - | - |
| External bursaries | 3 000 | 378 | 702 | 1 300 | 1 300 | 1 300 | 1 300 | 1 400 | 1 470 |
| Total | 31 510 | 41 781 | 58 508 | 90 527 | 76 411 | 76 451 | 88 508 | 61 615 | 64 285 |

Transfers and subsidies under Programme 1 fluctuates over the seven-year period, due to the following:

- *Provinces and municipalities* relates to funding for motor vehicle licences. The low spending in 2012/13 is due to the department not renewing all its motor vehicle licences as some of the department's vehicles were sold. There is a steady increase over the 2015/16 MTEF.
- *Departmental agencies and accounts* is in respect of the skills development levy and the payment of television licences for the department. The decrease in 2013/14 compared to 2012/13 is due to staff exits which resulted in a lower levy paid. The increase in the 2014/15 Adjusted Appropriation is due to the department inadvertently omitting the new levy calculation method during the compilation of the 2014/15 budget. The increase over the 2015/16 MTEF can be attributed to the implementation of the organisational structure, in line with the moratorium on filling of non-critical vacant posts.
- *Households* caters for staff exit costs.

Transfers and subsidies under Programme 2 also fluctuates over the seven-year period, as follows:

- The substantial increase against *Provinces and municipalities* in the 2014/15 Main Appropriation is due to once-off additional funding for the construction of the sports development centre. Due to challenges experienced by the Metro, the construction of this centre was suspended to 2015/16, as previously mentioned. The substantial decrease in the outer years is due to the department's decision to minimise the use of municipalities as implementing agents for the construction and maintenance.
- *Non-profit institutions* reflects a substantial increase in 2012/13 due to increased transfers to some of the sporting federations and sporting bodies. The increase in 2013/14 is due to the re-classification of spending in respect of support to sport academies and confederations, as previously mentioned. The increase in the 2014/15 Adjusted Appropriation is mainly attributed to additional funding received for

hosting of the 20th AIMS congress, Pietermaritzburg Bike City and Duzi Canoe Marathon. The allocation against the 2015/16 MTEF includes carry-through funds suspended from DEDTEA in respect of the Pietermaritzburg Bike City.

- *Households* caters for staff exit costs, as well as bursary payments made to non-employees. The high spending in 2011/12 compared to 2012/13 and 2013/14 is due to the inclusion of arbitration costs, as previously mentioned. The allocation over the 2015/16 MTEF relates to external bursary payments.

6. Programme description

The services rendered by this department are categorised under two programmes, namely Programme 1: Administration and Programme 2: Sport and Recreation. The programmes are aligned to the uniform budget and programme structure for the Sport, Arts and Culture sector. The expenditure and budgeted estimates for each of these programmes are also summarised in terms of economic classification, details of which are presented in *Annexure – Vote 16: Sport and Recreation*.

6.1 Programme 1: Administration

The purpose of Programme 1 is to provide overall management of the department. The programme's aim includes management of the department through the office of the HOD and the provision of financial management, human resource services, administration services, and security and communication services which are included under the sub-programme Corporate Services. The programme is aligned to the uniform budget and programme structure for the Sport, Arts and Culture sector.

Tables 16.13 and 16.14 below summarise payments and estimates relating to this programme, for the financial years 2011/12 to 2017/18. Programme 1 increases steadily over the seven-year period, although it shows low growth in the outer years due to the movement of funds to DAC in respect of the balance of the ministry funds, as previously mentioned.

Table 16.13 : Summary of payments and estimates by sub-programme: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-----------------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Corporate Services | 53 235 | 72 066 | 80 712 | 89 263 | 89 046 | 89 046 | 97 625 | 99 976 | 105 824 |
| Total | 53 235 | 72 066 | 80 712 | 89 263 | 89 046 | 89 046 | 97 625 | 99 976 | 105 824 |

Table 16.14 : Summary of payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 48 964 | 63 883 | 66 490 | 75 066 | 76 303 | 76 263 | 87 052 | 93 233 | 98 856 |
| Compensation of employees | 18 611 | 23 568 | 25 317 | 35 777 | 31 906 | 31 866 | 43 882 | 46 602 | 49 512 |
| Goods and services | 30 353 | 40 315 | 41 173 | 39 289 | 44 397 | 44 397 | 43 170 | 46 631 | 49 344 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 144 | 156 | 356 | 146 | 354 | 394 | 432 | 449 | 471 |
| Provinces and municipalities | 16 | 10 | 17 | 21 | 21 | 21 | 22 | 23 | 24 |
| Departmental agencies and accounts | 89 | 102 | 98 | 125 | 317 | 317 | 410 | 426 | 447 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 39 | 44 | 241 | - | 16 | 56 | - | - | - |
| Payments for capital assets | 4 127 | 8 027 | 13 866 | 14 051 | 12 389 | 12 389 | 10 141 | 6 294 | 6 497 |
| Buildings and other fixed structures | 597 | 2 066 | 8 017 | 8 000 | 8 000 | 8 000 | 4 500 | - | - |
| Machinery and equipment | 2 482 | 5 510 | 5 499 | 5 529 | 3 867 | 3 867 | 5 219 | 5 849 | 6 045 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 1 048 | 451 | 350 | 522 | 522 | 522 | 422 | 445 | 452 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 53 235 | 72 066 | 80 712 | 89 263 | 89 046 | 89 046 | 97 625 | 99 976 | 105 824 |

The increase in spending against the sub-programme: Corporate Services from 2011/12 to 2014/15 is largely attributed to carry-through costs in respect of various wage agreements. The slight decrease in the 2014/15 Adjusted Appropriation is due to funds moved to DAC in respect of the balance of the ministry funds, as mentioned above. Furthermore, funds were deducted from the department's budget relating to previous years' irregular expenditure against *Goods and services*. The low growth from 2015/16 onward is mainly due to the completion of the Harry Gwala district office, as well as the carry-through of funds suspended to DAC in respect of the balance of the ministry funds, as previously mentioned.

Spending against *Compensation of employees* in 2012/13 includes carry-through costs of various annual wage agreements and filling of critical posts. Furthermore, the increase from 2012/13 includes the appointment of the HOD. The decrease in the 2014/15 Adjusted Appropriation is due to funds being reprioritised to *Goods and services*, *Transfers and subsidies to: Departmental agencies and accounts* and *Transfers and subsidies to: Households* as a result of non-filling of budgeted vacant posts. The increase over the 2015/16 MTEF relates to the implementation of the organisational structure, in line with the moratorium on filling of non-critical vacant posts, as mentioned above.

Goods and services caters for the operational costs of running the head office, as well as the district offices. The increase in the 2014/15 Adjusted Appropriation can be attributed to funds reprioritised from *Compensation of employees* and *Machinery and equipment* for the setting up of the Ugu and Umzinyathi district offices. The increase over the 2015/16 MTEF is due to inflationary increments.

Transfers and subsidies to: Provinces and municipalities relates to funding for motor vehicle licences. The low spending in 2012/13 is due to the department not renewing all its motor vehicle licences.

Transfers and subsidies to: Departmental agencies and accounts decreases in 2013/14 compared to 2012/13 due to staff exits which resulted in a lower skills development levy paid. The increase in the 2014/15 Adjusted Appropriation is due to the department inadvertently omitting the new levy calculation method during the compilation of the 2014/15 budget, as previously mentioned. The increase over the 2015/16 MTEF can be attributed to implementation of the new organisational structure, in line with the moratorium on filling of non-critical vacant posts.

Transfers and subsidies to: Households caters for staff exit costs.

Buildings and other fixed structures caters for the establishment of the department's district offices. The low spending in 2011/12 is due to various challenges experienced with regard to the construction of the Ugu and Harry Gwala district offices. The Ugu district office was completed in 2013/14 and the department anticipates completing the Harry Gwala district office in 2015/16, hence no allocations have been made over the outer years of the MTEF.

Spending against *Machinery and equipment* fluctuates over the seven-year period due to purchases being largely cyclical in nature. The spending in 2013/14 includes the purchase of an access control system for the department as instructed by the A-G. The decrease in the 2014/15 Adjusted Appropriation is due to challenges experienced by the department with regard to occupation of the newly leased Dundee district office, as previously mentioned. The increase over the 2015/16 MTEF includes the purchase of office and computer equipment and access control security system for the Harry Gwala district office, as well as for newly appointed staff in line with the implementation of the new organisational structure.

The high spending against *Software and other intangible assets* in 2011/12 is due to spending on the enhancement of the Project Proposal Management System software. The decrease in 2013/14 is due to delays in the hand-over of the Ugu district office, as previously mentioned. The increase over the 2015/16 MTEF can be attributed to the purchase of new software for the Harry Gwala district office, as well as maintenance of the department's computer software.

6.2 Programme 2: Sport and Recreation

The purpose of this programme is to promote, develop, administer and fund sport in KZN. It also ensures advancement of participation in sport and recreation, talent identification and the promotion of performance excellence. The programme conforms to the uniform budget structure for the sector.

The four sub-programmes under this programme have the following purposes:

- Management: Management of development, transformation, empowerment and high performance through the delivery of sustainable sport and recreation programmes.
- Sport: Implementation of sustainable provincial sport programmes through talent optimisation, high performance and the staging of development games and championships.
- Recreation: Implementation of recreational programmes to promote an active lifestyle.
- School Sport: Focus on mass participation sport among learners, with emphasis on previously disadvantaged urban and rural schools.

Tables 16.15 and 16.16 below reflect a summary of payments and estimates relating to this programme for the financial years 2011/12 to 2017/18.

Table 16.15 : Summary of payments and estimates by sub-programme: Sport and Recreation

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-----------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Management | 59 480 | 47 277 | 78 633 | 65 477 | 60 177 | 60 177 | 62 560 | 66 877 | 70 973 |
| 2. Sport | 117 634 | 152 024 | 161 281 | 189 461 | 195 170 | 195 170 | 183 451 | 163 283 | 170 740 |
| 3. Recreation | 40 904 | 42 475 | 40 464 | 76 281 | 75 281 | 75 281 | 63 830 | 61 857 | 63 978 |
| 4. School Sport | 36 583 | 53 909 | 53 878 | 35 897 | 35 897 | 35 897 | 46 923 | 48 578 | 51 997 |
| Total | 254 601 | 295 685 | 334 256 | 367 116 | 366 525 | 366 525 | 356 764 | 340 595 | 357 688 |

Table 16.16 : Summary of payments and estimates by economic classification: Sport and Recreation

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 212 863 | 241 048 | 255 120 | 246 557 | 262 290 | 262 290 | 236 874 | 247 029 | 259 854 |
| Compensation of employees | 82 402 | 72 926 | 79 498 | 98 999 | 84 835 | 84 835 | 92 194 | 92 231 | 96 559 |
| Goods and services | 130 461 | 168 122 | 175 622 | 147 558 | 177 455 | 177 455 | 144 680 | 154 798 | 163 295 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 31 366 | 41 625 | 58 152 | 90 381 | 76 057 | 76 057 | 88 076 | 61 166 | 63 814 |
| Provinces and municipalities | 18 224 | 18 600 | 21 465 | 52 200 | 22 200 | 22 200 | 41 650 | 11 650 | 11 650 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 8 600 | 22 560 | 35 911 | 36 881 | 52 539 | 52 539 | 45 126 | 48 116 | 50 694 |
| Households | 4 542 | 465 | 776 | 1 300 | 1 318 | 1 318 | 1 300 | 1 400 | 1 470 |
| Payments for capital assets | 10 343 | 13 012 | 20 984 | 30 178 | 28 178 | 28 178 | 31 814 | 32 400 | 34 020 |
| Buildings and other fixed structures | 10 343 | 13 012 | 20 984 | 30 178 | 28 178 | 28 178 | 31 814 | 32 400 | 34 020 |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 29 | - | - | - | - | - | - | - | - |
| Total | 254 601 | 295 685 | 334 256 | 367 116 | 366 525 | 366 525 | 356 764 | 340 595 | 357 688 |

Spending against Programme 2 increases from 2011/12 to 2014/15. The decrease in 2015/16 and in the outer years can be attributed to the impact of fiscal consolidation on the MPSD grant, and the decrease in allocation against both the EPWP Integrated Grant for Provinces and Social Sector EPWP Incentive Grant for Provinces. In addition, there is no allocation against the EPWP Integrated Grant for Provinces and Social Sector EPWP Incentive Grant for Provinces in the outer years.

The decrease in spending against the sub-programme: Management in 2012/13 can be attributed to the implementation of cost-cutting in respect of subsistence and travel, accommodation and catering costs. Furthermore, funds were reprioritised to the sub-programme: Recreation to cater for the department's participation in various sporting events such as the National Indigenous Games. The increase in 2013/14 is due to once-off additional funding for OSS initiatives, to be used at the MEC's discretion, as well as part of once-off additional funding for war-room packages. The decrease in the 2014/15 Adjusted

Appropriation is due to funds reprioritised to Programme 1 under *Goods and services* for the setting up of the Ugu and Umzinyathi district offices. The decrease over the 2015/16 MTEF compared to 2014/15 is due to funds being reprioritised to the sub-programme: Recreation for the payment of contract employees.

The spending against the sub-programme: Sport in 2013/14 includes carry-through funding for Soccerex, hosting of the match between Bafana Bafana and Botswana, as well as war-room packages. The substantial increase in the 2014/15 Main Appropriation is due to once-off additional funding for the construction of the sports development centre. These funds were suspended to 2015/16, as previously mentioned. The increase in the 2014/15 Adjusted Appropriation is due to various additional funding received such as the U19 International Football Tournament, 20th AIMS congress, Duzi Canoe Marathon, etc. In addition, funds were rolled over from 2013/14 to 2014/15 for the reimbursement of funds to Provincial Treasury for payments made to service providers of UAS. Furthermore, funds were reprioritised from the sub-programme: Recreation for hosting of the JZ Chess Open event at Nkandla in December 2014. The increase in 2017/18 is due to inflationary increments.

The increase in 2012/13 against the sub-programme: Recreation is attributed to funds reprioritised from Programme 1 and the Management sub-programme to cater for the department's participation in various sporting events such as the National Indigenous Games. The decrease in 2013/14 is due to a lower allocation of the *Siyadlala* Mass Participation Programme element of the MPSD conditional grant, in line with the conditional grant framework. The increase in the 2014/15 Main Appropriation is due to a portion of the carry-through funding in respect of the war-room packages, as well as the Social Sector EPWP Incentive Grant for Provinces. The slight decrease in the 2014/15 Adjusted Appropriation is due to funds reprioritised to the sub-programme Sport for the hosting of the JZ Chess Open event at Nkandla, as previously mentioned. The decrease in 2015/16 can be attributed to the substantial decrease in the Social Sector EPWP Incentive Grant for Provinces. In addition, no allocation has been made in respect of this grant in the outer years.

The School Sport sub-programme comprises mainly of the MPSD conditional grant funding. The increase in 2012/13 was due to an increase in MPSD conditional grant funding. The decrease in 2014/15 is due to the movement of funds from the sub-programme: School Sport to the sub-programme: Sport to conform to the uniform budget structure for the sector. Despite the impact of the fiscal consolidation, the increase over the 2015/16 MTEF is due to inflationary increments.

Spending against *Compensation of employees* decreases in 2012/13 as a result of staff terminations and resignations. There was a decrease in the number of volunteers appointed in 2013/14 due to the fact that, when volunteers have been trained and capacitated, they obtain permanent employment in other departments. In addition, NDOSR directed the department to train teachers to undertake the duties of volunteers. The decrease in the 2014/15 Adjusted Appropriation is due to the department reprioritising funds to *Goods and services* due to non-filling of budgeted vacant posts. The increase over the 2015/16 MTEF relates to the implementation of the organisational structure in line, with the moratorium on the filling of non-critical vacant posts, as well as inflationary increments.

Goods and services caters for provincial sporting events which the department hosts, such as the SA Games and the provincial sport awards. The increase in 2013/14 includes carry-through funds in respect of the Soccerex, additional funding in respect of the match between Bafana Bafana and Botswana, war-room packages, as well as OSS initiatives, as previously mentioned. The increase in the 2014/15 Adjusted Appropriation is due to funds reprioritised from *Compensation of employees* for hosting of major events such as the International Boxing Organisation (IBO) Flyweight Boxing title and Msinga Super Driftkhana. Furthermore, the department received a roll-over from 2013/14 to 2014/15 for the reimbursement of funds to Provincial Treasury for payments made to service providers of UAS, as well as additional funding in 2014/15 in respect of the U19 International Football Tournament, Soccerex and the 4th Karate World Cup, as previously mentioned. This explains the decrease in 2015/16. The increase in the outer years is due to inflationary increments.

The allocation against *Transfers and subsidies to: Provinces and municipalities* in the 2014/15 Main Appropriation includes the once-off allocation in respect of the construction of the sports development centre in Durban. These funds were suspended to 2015/16 due to challenges experienced by the Metro, as

previously mentioned, which explains the increase in 2015/16. Due to continuous challenges experienced by municipalities with regard to construction and maintenance of sport facilities, the department decided to minimise the use of municipalities as implementing agents, as previously mentioned. This explains the decrease in the outer years.

Transfers and subsidies to: Non-profit institutions caters for payments made to sporting federations and other sporting bodies to assist with the promotion and development of sport and recreation. The substantial increase in 2012/13 is due to the increase in transfers to some of the sporting federations and sporting bodies, such as KZN Cycling, KZN Athletics and Netball Umzinyathi. The increase in 2013/14 is due to the re-classification of spending in respect of support to sport academies and confederations, as previously mentioned. The increase in 2013/14 is due to funds moved from *Goods and services* as a result of an incorrect allocation of the budget. The increase in the 2014/15 Adjusted Appropriation is mainly attributed to additional funding for hosting of the 20th AIMS congress, Pietermaritzburg Bike City and Duzi Canoe Marathon. The allocation against the 2015/16 MTEF includes carry-through funds suspended from DEDTEA in respect of the Pietermaritzburg Bike City.

Transfers and subsidies to: Households caters for leave gratuities, which are difficult to budget for due to their uncertainty, as well as external bursaries. The high spending in 2011/12 compared to 2012/13 and 2013/14 is due to the inclusion of arbitration costs which were paid out to three employees of the department. The allocation over the 2015/16 MTEF relates to external bursary payments.

Buildings and other fixed structures caters for construction of sport facilities by the department directly. The increase from 2012/13 to 2013/14 can be attributed to the number of construction projects that the department undertook directly. Spending in 2013/14 includes additional funding for war-room packages, as mentioned previously, these funds were used for the construction of outdoor gyms and kick-about fields. The slight decrease in the 2014/15 Adjusted Appropriation is due to funds reprioritised to *Goods and services* due to quotes being lower than budgeted for in respect of the construction of sport facilities by the department such as Nyazini, Denge and Mabedlane sport fields. The allocation over the 2015/16 MTEF fluctuates due to the department's decision to not undertake a large number of construction projects but to complete all current projects before commencing with new construction.

Spending against *Payments for financial assets* in 2011/12 relates to the write-off of staff debts.

Service delivery measures – Programme 2: Sport and Recreation

Table 16.17 illustrates the main service delivery measures relevant to Programme 2 from 2014/15 to 2017/18. The department incorporated the sector measures in the department's 2015/16 APP, and these are reflected below.

Table 16.17 : Service delivery measures – Programme 2: Sport and Recreation

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|--|--|-------------------------------|-------------------------------|-------------------------------|--------------------------------|--|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 1. Sport | | | | | | |
| 1.1 Community Participation (Stakeholder Management) | | | | | | |
| 1.1.1 To promote, transform and develop sport | <ul style="list-style-type: none"> No. of athletes supported to major events No. of mass participation sport events inclusive of social cohesion prog. hosted No. of participants in mass participation sport events No. of people trained | 1 200 12 6 500 3 000 | 1 250 12 7 000 2 000 | 1 300 12 8 000 2 100 | 1 350 12 10 000 2 200 | |
| 1.1.2 Talent optimisation and high/elite sport performance | <ul style="list-style-type: none"> No. of affiliated provincial sport federations/entities supported No. of elite athletes receiving ongoing medical, scientific and technological support | 24 60 | 27 70 | 30 80 | 33 90 | |
| 1.2 Sport and Recreation Infrastructure Planning and Development (Facilities) | | | | | | |
| 1.2.1 To build/renovate/upgrade community/school sport and recreation facilities | <ul style="list-style-type: none"> No. of basic sport and recreation facilities constructed No. of kick-about sport facilities constructed No. of combination courts constructed in schools/communities | 9 11 37 | 2 11 11 | 2 11 11 | 2 13 13 | |
| 1.2.2 To use and maintain sport and recreation facilities | <ul style="list-style-type: none"> No. of outdoor gym parks built | 11 | 11 | 11 | 11 | |

Table 16.17 : Service delivery measures – Programme 2: Sport and Recreation

| Outputs | | Performance indicators | Estimated performance | Medium-term targets | | | |
|---|--|------------------------|-----------------------|---------------------|---------|---------|--|
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | |
| 1.3 Club Development | | | | | | | |
| 1.3.1 To implement an integrated and sustainable club structure to promote grassroots participation | No. of clubs provided with equipment/attire | 839 | 459 | 479 | 499 | | |
| | No. of tournaments and leagues staged to foster club development | 59 | 65 | 70 | 80 | | |
| | No. of people trained as part of the club development prog. | 602 | 650 | 675 | 700 | | |
| 1.3.2 To create a long-term participant development through the academy system | No. of sport academies supported | 3 | 4 | 5 | 6 | | |
| | No. of athletes supported through the sport academies | 100 | 170 | 180 | 190 | | |
| 1.4 Strategic Projects and High Performance Sport (Special Projects) | | | | | | | |
| 1.4.1 Capacity building, mass mobilisation and community outreach progs. | No. of equity progs. supported and implemented at district level | 11 | 11 | 11 | 11 | | |
| | No. of clubs/organisations benefitting from community outreach progs. | 400 | 400 | 425 | 450 | | |
| 1.4.2 To host major events | No. of major events hosted and supported | 12 | 10 | 11 | 11 | | |
| | No. of sport and recreation promotion campaigns launched | 22 | 11 | 12 | 13 | | |
| 2. Recreation | | | | | | | |
| 2.1 Recreation Promotion and Development (Recreation Services) | | | | | | | |
| 2.1.1 Sustainable recreational progs. implemented | No. of recreation entities/agencies supported through transfer of funds | 12 | 12 | 14 | 16 | | |
| | No. of sustainable active recreation events/festivals organised and implemented | 58 | 60 | 62 | 64 | | |
| | No. of people actively participating in organised active recreation events | 30 000 | 31 000 | 32 000 | 33 000 | | |
| | No. of people trained (WRIP co-ordinators) | 1 360 | 800 | 850 | 900 | | |
| 2.2 Community Mass Participation (Siyadlala) | | | | | | | |
| 2.2.1 To promote healthy lifestyles through community mass participation | No. of clubs/hubs provided with equipment/attire | 450 | 475 | 500 | 525 | | |
| | No. of youth attending youth camps | 300 | 800 | 850 | 900 | | |
| | No. of sustainable active sport and recreation promotion progs. implemented at ward/district level | 142 | 142 | 152 | 152 | | |
| | No. of people actively participating in organised active recreation events | 40 000 | 41 000 | 42 000 | 43 000 | | |
| | No. of people trained | 310 | 100 | 110 | 120 | | |
| 3. School Sport | | | | | | | |
| 3.1 To implement the community mass participation prog. | No. of schools provided with equipment/attire | 500 | 525 | 550 | 575 | | |
| | No. of learners participating in the school sport tournaments at district level | 8 000 | 8 100 | 8 200 | 8 300 | | |
| 3.1 Capacity building and job creation | No. of educators trained to deliver the school sport prog. | 1 400 | 1 200 | 1 200 | 1 450 | | |

7. Other programme information

7.1 Personnel numbers and costs

Tables 16.18 and 16.19 illustrate the personnel numbers and estimates pertaining to the department.

The total personnel numbers decrease from 31 March 2012 to 31 March 2015 mainly as a result of resignations, as well as the decrease in volunteers employed as a result of NDOSR's directive to minimise the use of volunteers by training teachers which is reflected in Table 16.18 below. The contract term of most contract workers ends in October 2015, hence the decrease reflected against contract workers from 2016/17 onward.

The increase in full time workers from 2015/16 onward is due to the implementation of the organisational structure. The department commenced implementing the new organisational structure in 2014 in a phased in approach.

Table 16.18 : Personnel numbers and costs by programme

| 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 | 54 | 69 | 76 | 91 | 83 | 97 | 97 |
| 2. Sport and Recreation | 1 878 | 1 517 | 1 417 | 1 280 | 1 235 | 334 | 334 |
| of which | | | | | | | |
| Volunteers | 2 181 | 1 769 | 1 409 | 1 163 | 1 118 | 167 | 167 |
| Total | 1 932 | 1 586 | 1 493 | 1 371 | 1 318 | 431 | 431 |
| Total personnel cost (R thousand) | 101 013 | 96 494 | 104 815 | 116 737 | 136 076 | 138 833 | 146 071 |
| Unit cost (R thousand) | 52 | 61 | 70 | 85 | 103 | 322 | 339 |

Table 16.19 : Summary of departmental personnel numbers and costs by component

| | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------|---------|-----------------------|---------------------------|---------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Total for the department | | | | | | | | | |
| Personnel numbers (head count) | 1 932 | 1 586 | 1 493 | 1 540 | 1 371 | 1 371 | 1 318 | 431 | 431 |
| Personnel cost (R thousands) | 101 013 | 96 494 | 104 815 | 134 776 | 116 741 | 116 701 | 136 076 | 138 833 | 146 071 |
| Human resources component | | | | | | | | | |
| Personnel numbers (head count) | 15 | 18 | 16 | 22 | 12 | 12 | 17 | 17 | 17 |
| Personnel cost (R thousands) | 6 306 | 7 320 | 8 020 | 8 974 | 7 451 | 7 451 | 11 315 | 12 101 | 12 953 |
| Head count as % of total for department | 0.78 | 1.13 | 1.07 | 1.43 | 0.88 | 0.88 | 1.29 | 3.94 | 3.94 |
| Personnel cost as % of total for department | 6.24 | 7.59 | 7.65 | 6.66 | 6.38 | 6.38 | 8.32 | 8.72 | 8.87 |
| Finance component | | | | | | | | | |
| Personnel numbers (head count) | 16 | 22 | 18 | 28 | 18 | 18 | 26 | 26 | 26 |
| Personnel cost (R thousands) | 5 099 | 6 035 | 6 359 | 7 848 | 8 465 | 8 465 | 12 454 | 13 188 | 13 968 |
| Head count as % of total for department | 0.83 | 1.39 | 1.21 | 1.82 | 1.31 | 1.31 | 1.97 | 6.03 | 6.03 |
| Personnel cost as % of total for department | 5.05 | 6.25 | 6.07 | 5.82 | 7.25 | 7.25 | 9.15 | 9.50 | 9.56 |
| Full time workers | | | | | | | | | |
| Personnel numbers (head count) | 163 | 177 | 170 | 278 | 177 | 177 | 241 | 241 | 241 |
| Personnel cost (R thousands) | 56 525 | 60 423 | 70 813 | 102 439 | 84 404 | 84 364 | 103 739 | 130 671 | 137 909 |
| Head count as % of total for department | 8.44 | 11.16 | 11.39 | 18.05 | 12.91 | 12.91 | 18.29 | 55.92 | 55.92 |
| Personnel cost as % of total for department | 55.96 | 62.62 | 67.56 | 76.01 | 72.30 | 72.29 | 76.24 | 94.12 | 94.41 |
| Part-time workers | | | | | | | | | |
| Personnel numbers (head count) | - | - | - | - | - | - | - | - | - |
| Personnel cost (R thousands) | - | - | - | - | - | - | - | - | - |
| Head count as % of total for department | - | - | - | - | - | - | - | - | - |
| Personnel cost as % of total for department | - | - | - | - | - | - | - | - | - |
| Contract workers | | | | | | | | | |
| Personnel numbers (head count) | 1 769 | 1 409 | 1 323 | 1 262 | 1 194 | 1 194 | 1 077 | 190 | 190 |
| Personnel cost (R thousands) | 44 488 | 36 071 | 34 002 | 32 337 | 32 337 | 32 337 | 32 337 | 8 162 | 8 162 |
| Head count as % of total for department | 91.56 | 88.84 | 88.61 | 81.95 | 87.09 | 87.09 | 81.71 | 44.08 | 44.08 |
| Personnel cost as % of total for department | 44.04 | 37.38 | 32.44 | 23.99 | 27.70 | 27.71 | 23.76 | 5.88 | 5.59 |

7.2 Training

Tables 16.20 and 16.21 reflect departmental payments on training per programme over the seven-year period for the administrative staff, as well as volunteer/contract employees and external role players, such as educators and coaching personnel.

The department has budgeted 1 per cent of its salary expense for staff training as per the requirement of the Skills Development Levies Act.

The expenditure against Programme 2 under *Other* relates to training provided to the hub co-ordinators in respect of the various clusters in the MPSD conditional grant. The substantial spending in 2011/12 is due to NDOSR's directive to train teachers as implementers of the programme, as previously mentioned. The increase in the 2013/14 Main Appropriation relates to further training conducted to ensure that educators are able to coach the students in order to retain skills in the sector.

The decrease in the 2014/15 Adjusted Appropriation against both programmes is due to the department reprioritising funds to other categories with spending pressures such as *Goods and services*. The decrease can be attributed to lower quotes provided by service providers than budgeted for. The increase over the 2015/16 MTEF relates to the training that will be conducted to capacitate educators to being coaches, as well as the department's employees as part of the implementation of the new organisational structure.

Table 16.20 : Payments on training by programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| 1. Administration | 649 | 1 712 | 1 170 | 1 891 | 1 891 | 1 891 | 1 940 | 1 738 | 1 785 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | 83 | 157 | 117 | 445 | 445 | 445 | 150 | 216 | 259 |
| Other | 566 | 1 555 | 1 053 | 1 446 | 1 446 | 1 446 | 1 790 | 1 522 | 1 526 |
| 2. Sport and Recreation | 5 770 | 1 730 | 2 034 | 3 474 | 2 537 | 2 537 | 5 103 | 6 614 | 6 768 |
| Subsistence and travel | - | - | - | - | - | - | - | - | - |
| Payments on tuition | 3 000 | 378 | 702 | 1 737 | 1 300 | 1 300 | 1 300 | 1 400 | 1 470 |
| Other | 2 770 | 1 352 | 1 332 | 1 737 | 1 237 | 1 237 | 3 803 | 5 214 | 5 298 |
| Total | 6 419 | 3 442 | 3 204 | 5 365 | 4 428 | 4 428 | 7 043 | 8 352 | 8 553 |

Table 16.21 illustrates the number of staff, volunteers/contract employees and external role players are affected by the various training programmes and initiatives.

It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

Table 16.21 : Information on training: Sport and Recreation

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Number of staff | 1 932 | 1 586 | 1 493 | 1 540 | 1 371 | 1 371 | 1 318 | 431 | 431 |
| Number of personnel trained | 197 | 119 | 134 | 135 | 135 | 166 | 139 | 139 | 139 |
| of which | | | | | | | | | |
| Male | 94 | 44 | 54 | 54 | 54 | 52 | 66 | 66 | 66 |
| Female | 103 | 75 | 80 | 81 | 81 | 114 | 73 | 73 | 73 |
| Number of training opportunities | 59 | 35 | 19 | 26 | 26 | 17 | 4 | 4 | 4 |
| of which | | | | | | | | | |
| Tertiary | 2 | 4 | - | 10 | 10 | - | 4 | 4 | 4 |
| Workshops | 21 | 9 | 8 | 4 | 4 | 6 | - | - | - |
| Seminars | 5 | 7 | 4 | 6 | 6 | 5 | - | - | - |
| Other | 31 | 15 | 7 | 6 | 6 | 6 | - | - | - |
| Number of bursaries offered | 37 | 6 | 68 | 58 | 58 | 78 | 88 | 98 | 108 |
| Number of interns appointed | 20 | 15 | 23 | 10 | 10 | 26 | 10 | 10 | 10 |
| Number of learnerships appointed | 10 | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of days spent on training | 111 | 136 | 38 | 62 | 62 | 69 | 78 | 78 | 78 |

ANNEXURE – TO VOTE 16: SPORT AND RECREATION

Table 16.A : Details of departmental receipts: Sport and Recreation

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|------------|------------|--------------------|------------------------|------------------|-----------------------|------------|------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 77 | 38 | 241 | 75 | 75 | 75 | 80 | 85 | 89 |
| Sale of goods and services produced by dept. (excl. capital assets) | 77 | 38 | 241 | 75 | 75 | 75 | 80 | 85 | 89 |
| Sales by market establishments | - | - | - | - | - | - | - | - | - |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Other sales | 77 | 38 | 241 | 75 | 75 | 75 | 80 | 85 | 89 |
| Sale of scrap, waste, arms and other used current goods (excl. capital assets) | - | - | - | - | - | - | - | - | - |
| Transfers received from: | - | - | - | - | - | - | - | - | - |
| Other governmental units | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments | - | - | - | - | - | - | - | - | - |
| International organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Households and non-profit institutions | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | 239 | 371 | 384 | 170 | 170 | 170 | 190 | 200 | 210 |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Other capital assets | 239 | 371 | 384 | 170 | 170 | 170 | 190 | 200 | 210 |
| Transactions in financial assets and liabilities | 78 | 103 | 112 | 30 | 30 | 106 | 30 | 32 | 33 |
| Total | 394 | 512 | 737 | 275 | 275 | 351 | 300 | 317 | 332 |

Table 16.B : Payments and estimates by economic classification: Sport and Recreation

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|----------------|----------------|----------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 261 827 | 304 931 | 321 610 | 321 623 | 338 593 | 338 589 | 323 926 | 340 262 | 358 710 |
| Compensation of employees | 101 013 | 96 494 | 104 815 | 134 776 | 116 741 | 116 737 | 136 076 | 138 833 | 146 071 |
| Salaries and wages | 92 580 | 87 999 | 95 679 | 108 098 | 92 896 | 93 200 | 108 883 | 110 643 | 116 760 |
| Social contributions | 8 433 | 8 495 | 9 136 | 26 678 | 23 845 | 23 537 | 27 193 | 28 190 | 29 311 |
| Goods and services | 160 814 | 208 437 | 216 795 | 186 847 | 221 852 | 221 852 | 187 850 | 201 429 | 212 639 |
| Administrative fees | 26 | 35 | 39 | 65 | 65 | 65 | 68 | 73 | 76 |
| Advertising | 2 593 | 2 809 | 1 245 | 1 575 | 2 145 | 2 145 | 1 909 | 2 057 | 2 167 |
| Assets less than the capitalisation threshold | 104 | 327 | 603 | 1 108 | 608 | 608 | 920 | 1 028 | 1 033 |
| Audit cost: External | 1 494 | 2 378 | 2 172 | 2 340 | 3 840 | 3 840 | 2 540 | 2 740 | 2 939 |
| Bursaries: Employees | 83 | 157 | 117 | 445 | 445 | 445 | 150 | 216 | 259 |
| Catering: Departmental activities | 8 412 | 8 835 | 10 962 | 12 333 | 14 563 | 14 563 | 18 972 | 17 809 | 18 278 |
| Communication (G&S) | 2 765 | 2 654 | 3 568 | 3 054 | 3 554 | 3 554 | 3 845 | 4 743 | 4 965 |
| Computer services | 4 062 | 5 553 | 4 558 | 3 429 | 3 654 | 3 654 | 5 150 | 5 551 | 5 986 |
| Cons & prof serv: Business and advisory services | 4 589 | 5 270 | 6 594 | 9 611 | 7 811 | 7 811 | 8 473 | 8 992 | 9 248 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 19 | 513 | 302 | 446 | 1 146 | 1 146 | 742 | 766 | 790 |
| Contractors | 4 259 | 1 749 | 2 242 | 1 315 | 2 630 | 2 630 | 2 954 | 2 719 | 2 774 |
| Agency and support / outsourced services | 1 155 | 4 231 | 5 347 | 1 357 | 5 517 | 5 517 | 1 051 | 1 147 | 1 147 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | 1 394 | 1 621 | 2 436 | 2 729 | 2 221 | 2 221 | 2 729 | 2 801 | 2 829 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 22 605 | 35 021 | 37 226 | 31 590 | 30 960 | 30 960 | 35 182 | 33 914 | 34 288 |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medias inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 128 | 1 171 | 70 | 15 | - | - | 86 | 97 | 106 |
| Consumable: Stationery, printing and office supplies | 2 209 | 3 148 | 3 331 | 3 515 | 4 762 | 4 762 | 3 561 | 3 607 | 3 706 |
| Operating leases | 7 441 | 5 898 | 6 376 | 2 301 | 6 601 | 6 601 | 4 000 | 4 294 | 4 894 |
| Property payments | 2 953 | 3 166 | 3 830 | 4 048 | 4 348 | 4 348 | 6 407 | 7 258 | 7 836 |
| Transport provided: Departmental activity | 13 055 | 19 073 | 14 866 | 13 709 | 15 859 | 15 859 | 16 709 | 17 041 | 17 821 |
| Travel and subsistence | 8 350 | 9 865 | 10 997 | 11 383 | 10 794 | 10 794 | 11 497 | 15 287 | 16 095 |
| Training and development | 3 336 | 2 907 | 2 460 | 3 183 | 4 683 | 4 683 | 5 593 | 6 736 | 6 824 |
| Operating payments | 1 349 | 2 931 | 1 711 | 1 503 | 2 603 | 2 603 | 1 519 | 1 561 | 1 674 |
| Venues and facilities | 68 433 | 89 125 | 95 743 | 75 793 | 93 043 | 93 043 | 53 793 | 60 992 | 66 904 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 31 510 | 41 781 | 58 508 | 90 527 | 76 411 | 76 415 | 88 508 | 61 615 | 64 285 |
| Provinces and municipalities | 18 240 | 18 610 | 21 482 | 52 221 | 22 221 | 22 221 | 41 672 | 11 673 | 11 674 |
| Provinces | 16 | 10 | 17 | 21 | 21 | 21 | 22 | 23 | 24 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 16 | 10 | 17 | 21 | 21 | 21 | 22 | 23 | 24 |
| Municipalities | 18 224 | 18 600 | 21 465 | 52 200 | 22 200 | 22 200 | 41 650 | 11 650 | 11 650 |
| Municipalities | 18 224 | 18 600 | 21 465 | 52 200 | 22 200 | 22 200 | 41 650 | 11 650 | 11 650 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 89 | 102 | 98 | 125 | 317 | 317 | 410 | 426 | 447 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 89 | 102 | 98 | 125 | 317 | 317 | 410 | 426 | 447 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 8 600 | 22 560 | 35 911 | 36 881 | 52 539 | 52 539 | 45 126 | 48 116 | 50 694 |
| Households | 4 581 | 509 | 1 017 | 1 300 | 1 334 | 1 338 | 1 300 | 1 400 | 1 470 |
| Social benefits | 1 581 | 131 | 315 | - | 34 | 38 | - | - | - |
| Other transfers to households | 3 000 | 378 | 702 | 1 300 | 1 300 | 1 300 | 1 300 | 1 400 | 1 470 |
| Payments for capital assets | 14 470 | 21 039 | 34 850 | 44 229 | 40 567 | 40 567 | 41 955 | 38 694 | 40 517 |
| Buildings and other fixed structures | 10 940 | 15 078 | 29 001 | 38 178 | 36 178 | 36 178 | 36 314 | 32 400 | 34 020 |
| Buildings | 597 | 2 066 | 8 017 | 8 000 | 8 000 | 8 000 | 4 500 | - | - |
| Other fixed structures | 10 343 | 13 012 | 20 984 | 30 178 | 28 178 | 28 178 | 31 814 | 32 400 | 34 020 |
| Machinery and equipment | 2 482 | 5 510 | 5 499 | 5 529 | 3 867 | 3 867 | 5 219 | 5 849 | 6 045 |
| Transport equipment | 1 285 | 2 650 | 3 404 | 2 417 | 2 417 | 2 417 | 2 318 | 2 441 | 2 502 |
| Other machinery and equipment | 1 197 | 2 860 | 2 095 | 3 112 | 1 450 | 1 450 | 2 901 | 3 408 | 3 543 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 1 048 | 451 | 350 | 522 | 522 | 522 | 422 | 445 | 452 |
| Payments for financial assets | 29 | - | - | - | - | - | - | - | - |
| Total | 307 836 | 367 751 | 414 968 | 456 379 | 455 571 | 455 571 | 454 389 | 440 571 | 463 512 |

Table 16.C : Payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|---------------|---------------|---------------|-----------------------|---------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 48 964 | 63 883 | 66 490 | 75 066 | 76 303 | 76 263 | 87 052 | 93 233 | 98 856 |
| Compensation of employees | 18 611 | 23 568 | 25 317 | 35 777 | 31 906 | 31 866 | 43 882 | 46 602 | 49 512 |
| Salaries and wages | 16 056 | 20 622 | 22 193 | 28 622 | 24 751 | 24 711 | 35 106 | 37 281 | 39 610 |
| Social contributions | 2 555 | 2 946 | 3 124 | 7 155 | 7 155 | 7 155 | 8 776 | 9 321 | 9 902 |
| Goods and services | 30 353 | 40 315 | 41 173 | 39 289 | 44 397 | 44 397 | 43 170 | 46 631 | 49 344 |
| Administrative fees | 26 | 35 | 39 | 65 | 65 | 65 | 68 | 73 | 76 |
| Advertising | 2 369 | 2 273 | 930 | 1 575 | 1 875 | 1 875 | 1 839 | 1 987 | 2 097 |
| Assets less than the capitalisation threshold | 100 | 327 | 603 | 1 108 | 608 | 608 | 920 | 1 028 | 1 033 |
| Audit cost: External | 1 494 | 2 072 | 2 172 | 2 340 | 3 840 | 3 840 | 2 540 | 2 740 | 2 939 |
| Bursaries: Employees | 83 | 157 | 117 | 445 | 445 | 445 | 150 | 216 | 259 |
| Catering: Departmental activities | 153 | 300 | 177 | 551 | 551 | 551 | 455 | 504 | 519 |
| Communication (G&S) | 2 481 | 2 494 | 3 378 | 2 594 | 3 094 | 3 094 | 3 378 | 4 252 | 4 449 |
| Computer services | 3 630 | 5 550 | 4 513 | 3 429 | 3 654 | 3 654 | 5 150 | 5 551 | 5 986 |
| Cons & prof serv: Business and advisory services | 899 | 2 851 | 2 383 | 5 135 | 3 135 | 3 135 | 2 889 | 3 058 | 3 301 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 19 | 513 | 302 | 446 | 1 146 | 1 146 | 742 | 766 | 790 |
| Contractors | 1 091 | 191 | 754 | 246 | 546 | 546 | 50 | 50 | 52 |
| Agency and support / outsourced services | 803 | 1 985 | 982 | 1 357 | 2 317 | 2 317 | 1 051 | 1 147 | 1 147 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | 1 394 | 1 621 | 2 436 | 2 729 | 2 221 | 2 221 | 2 729 | 2 801 | 2 829 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | 48 | 55 | 58 |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 128 | 1 171 | 20 | - | - | - | 86 | 97 | 106 |
| Consumable: Stationery, printing and office supplies | 1 516 | 2 019 | 2 459 | 2 503 | 3 503 | 3 503 | 2 312 | 2 422 | 2 498 |
| Operating leases | 7 314 | 5 898 | 6 376 | 2 301 | 6 601 | 6 601 | 4 000 | 4 294 | 4 894 |
| Property payments | 2 945 | 3 143 | 3 830 | 4 048 | 4 348 | 4 348 | 6 407 | 7 258 | 7 836 |
| Transport provided: Departmental activity | 17 | 364 | 442 | 214 | 214 | 214 | 177 | 185 | 225 |
| Travel and subsistence | 2 364 | 3 443 | 4 942 | 3 687 | 2 418 | 2 418 | 4 268 | 4 427 | 4 510 |
| Training and development | 566 | 1 555 | 1 053 | 1 446 | 1 446 | 1 446 | 1 790 | 1 522 | 1 526 |
| Operating payments | 842 | 1 326 | 519 | 295 | 295 | 295 | 141 | 178 | 184 |
| Venues and facilities | 119 | 1 027 | 2 746 | 2 775 | 2 075 | 2 075 | 1 980 | 2 020 | 2 030 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 144 | 156 | 356 | 146 | 354 | 394 | 432 | 449 | 471 |
| Provinces and municipalities | 16 | 10 | 17 | 21 | 21 | 21 | 22 | 23 | 24 |
| Provinces | 16 | 10 | 17 | 21 | 21 | 21 | 22 | 23 | 24 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 16 | 10 | 17 | 21 | 21 | 21 | 22 | 23 | 24 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 89 | 102 | 98 | 125 | 317 | 317 | 410 | 426 | 447 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | 89 | 102 | 98 | 125 | 317 | 317 | 410 | 426 | 447 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 39 | 44 | 241 | - | 16 | 56 | - | - | - |
| Social benefits | 39 | 44 | 241 | - | 16 | 56 | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 4 127 | 8 027 | 13 866 | 14 051 | 12 389 | 12 389 | 10 141 | 6 294 | 6 497 |
| Buildings and other fixed structures | 597 | 2 066 | 8 017 | 8 000 | 8 000 | 8 000 | 4 500 | - | - |
| Buildings | 597 | 2 066 | 8 017 | 8 000 | 8 000 | 8 000 | 4 500 | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 2 482 | 5 510 | 5 499 | 5 529 | 3 867 | 3 867 | 5 219 | 5 849 | 6 045 |
| Transport equipment | 1 285 | 2 650 | 3 404 | 2 417 | 2 417 | 2 417 | 2 318 | 2 441 | 2 502 |
| Other machinery and equipment | 1 197 | 2 860 | 2 095 | 3 112 | 1 450 | 1 450 | 2 901 | 3 408 | 3 543 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 1 048 | 451 | 350 | 522 | 522 | 522 | 422 | 445 | 452 |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 53 235 | 72 066 | 80 712 | 89 263 | 89 046 | 89 046 | 97 625 | 99 976 | 105 824 |

Table 16.D : Payments and estimates by economic classification: Sport and Recreation

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 212 863 | 241 048 | 255 120 | 246 557 | 262 290 | 262 290 | 236 874 | 247 029 | 259 854 |
| Compensation of employees | 82 402 | 72 926 | 79 498 | 98 999 | 84 835 | 84 835 | 92 194 | 92 231 | 96 559 |
| Salaries and wages | 76 524 | 67 377 | 73 486 | 79 476 | 68 145 | 68 453 | 73 777 | 73 362 | 77 150 |
| Social contributions | 5 878 | 5 549 | 6 012 | 19 523 | 16 690 | 16 382 | 18 417 | 18 869 | 19 409 |
| Goods and services | 130 461 | 168 122 | 175 622 | 147 558 | 177 455 | 177 455 | 144 680 | 154 798 | 163 295 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | 224 | 536 | 315 | - | 270 | 270 | 70 | 70 | 70 |
| Assets less than the capitalisation threshold | 4 | - | - | - | - | - | - | - | - |
| Audit cost: External | - | 306 | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 8 259 | 8 535 | 10 785 | 11 782 | 14 012 | 14 012 | 18 517 | 17 305 | 17 759 |
| Communication (G&S) | 284 | 160 | 190 | 460 | 460 | 460 | 467 | 491 | 516 |
| Computer services | 432 | 3 | 45 | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | 3 690 | 2 419 | 4 211 | 4 476 | 4 676 | 4 676 | 5 584 | 5 934 | 5 947 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | - | - | - | - | - | - | - | - | - |
| Contractors | 3 168 | 1 558 | 1 488 | 1 069 | 2 084 | 2 084 | 2 904 | 2 669 | 2 722 |
| Agency and support / outsourced services | 352 | 2 246 | 4 365 | - | 3 200 | 3 200 | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 22 605 | 35 021 | 37 226 | 31 590 | 30 960 | 30 960 | 35 134 | 33 859 | 34 230 |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | 50 | 15 | - | - | - | - | - |
| Consumable: Stationery, printing and office supplies | 693 | 1 129 | 872 | 1 012 | 1 259 | 1 259 | 1 249 | 1 185 | 1 208 |
| Operating leases | 127 | - | - | - | - | - | - | - | - |
| Property payments | 8 | 23 | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | 13 038 | 18 709 | 14 424 | 13 495 | 15 645 | 15 645 | 16 532 | 16 856 | 17 596 |
| Travel and subsistence | 5 986 | 6 422 | 6 055 | 7 696 | 8 376 | 8 376 | 7 229 | 10 860 | 11 585 |
| Training and development | 2 770 | 1 352 | 1 407 | 1 737 | 3 237 | 3 237 | 3 803 | 5 214 | 5 298 |
| Operating payments | 507 | 1 605 | 1 192 | 1 208 | 2 308 | 2 308 | 1 378 | 1 383 | 1 490 |
| Venues and facilities | 68 314 | 88 098 | 92 997 | 73 018 | 90 968 | 90 968 | 51 813 | 58 972 | 64 874 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 31 366 | 41 625 | 58 152 | 90 381 | 76 057 | 76 057 | 88 076 | 61 166 | 63 814 |
| Provinces and municipalities | 18 224 | 18 600 | 21 465 | 52 200 | 22 200 | 22 200 | 41 650 | 11 650 | 11 650 |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | 18 224 | 18 600 | 21 465 | 52 200 | 22 200 | 22 200 | 41 650 | 11 650 | 11 650 |
| Municipalities | 18 224 | 18 600 | 21 465 | 52 200 | 22 200 | 22 200 | 41 650 | 11 650 | 11 650 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Provide list of entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 8 600 | 22 560 | 35 911 | 36 881 | 52 539 | 52 539 | 45 126 | 48 116 | 50 694 |
| Households | 4 542 | 465 | 776 | 1 300 | 1 318 | 1 318 | 1 300 | 1 400 | 1 470 |
| Social benefits | 1 542 | 87 | 74 | - | 18 | 18 | - | - | - |
| Other transfers to households | 3 000 | 378 | 702 | 1 300 | 1 300 | 1 300 | 1 300 | 1 400 | 1 470 |
| Payments for capital assets | 10 343 | 13 012 | 20 984 | 30 178 | 28 178 | 28 178 | 31 814 | 32 400 | 34 020 |
| Buildings and other fixed structures | 10 343 | 13 012 | 20 984 | 30 178 | 28 178 | 28 178 | 31 814 | 32 400 | 34 020 |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | 10 343 | 13 012 | 20 984 | 30 178 | 28 178 | 28 178 | 31 814 | 32 400 | 34 020 |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 29 | - | - | - | - | - | - | - | - |
| Total | 254 601 | 295 685 | 334 256 | 367 116 | 366 525 | 366 525 | 356 764 | 340 595 | 357 688 |

Table 16.E : Payments and estimates by economic classification: Conditional grants

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|---------------|---------------|---------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | Appropriation | Appropriation | Estimate | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 87 694 | 91 548 | 79 518 | 86 364 | 86 364 | 86 364 | 79 652 | 79 935 | 84 672 |
| Compensation of employees | 35 625 | 15 394 | 16 417 | 21 256 | 21 256 | 21 256 | 14 544 | 13 396 | 14 338 |
| Salaries and wages | 34 606 | 15 164 | 15 726 | 18 455 | 18 455 | 18 455 | 11 191 | 10 605 | 11 168 |
| Social contributions | 1 019 | 230 | 691 | 2 801 | 2 801 | 2 801 | 3 353 | 2 791 | 3 170 |
| Goods and services | 52 069 | 76 154 | 63 101 | 65 108 | 65 108 | 65 108 | 65 108 | 66 539 | 70 334 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | 33 | 61 | 274 | - | - | - | 70 | 70 | 70 |
| Assets less than the capitalisation threshold | - | - | - | - | - | - | - | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 4 076 | 4 203 | 5 069 | 7 013 | 7 013 | 7 013 | 9 196 | 8 941 | 8 941 |
| Communication (G&S) | 3 | 12 | - | - | - | - | - | - | - |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | 14 | 114 | 199 | - | - | - | 158 | 100 | 100 |
| Cons & prof serv: Infras and planning | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Laboratory services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Scientific and tech services | - | - | - | - | - | - | - | - | - |
| Cons & prof serv: Legal costs | 332 | 595 | 976 | 238 | 238 | 238 | 1 273 | 1 111 | 1 111 |
| Contractors | - | 378 | 561 | - | - | - | - | - | - |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 13 379 | 16 997 | 18 181 | 20 655 | 20 655 | 20 655 | 23 207 | 22 476 | 22 476 |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | - | - | - | - | - | - | - |
| Consumable: Stationery, printing and office supplies | 144 | 230 | 211 | 621 | 621 | 621 | 600 | 580 | 580 |
| Operating leases | - | - | - | - | - | - | - | - | - |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | 4 865 | 10 795 | 6 096 | 4 889 | 4 889 | 4 889 | 5 332 | 4 470 | 4 470 |
| Travel and subsistence | 917 | 1 080 | 298 | 1 465 | 1 465 | 1 465 | 1 617 | 2 677 | 2 677 |
| Training and development | 1 016 | 703 | 1 082 | 248 | 248 | 248 | 1 640 | 1 140 | 1 140 |
| Operating payments | 265 | 506 | 409 | 186 | 186 | 186 | 172 | 193 | 193 |
| Venues and facilities | 27 025 | 40 480 | 29 745 | 29 793 | 29 793 | 29 793 | 21 843 | 24 781 | 28 576 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | - | - | 5 242 | 9 231 | 9 231 | 9 231 | 13 041 | 11 319 | 12 058 |
| Provinces and municipalities | - | - | 550 | 2 102 | 2 102 | 2 102 | 2 000 | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | 550 | 2 102 | 2 102 | 2 102 | 2 000 | - | - |
| Municipalities | - | - | 550 | 2 102 | 2 102 | 2 102 | 2 000 | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving funds | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | 4 692 | 7 129 | 7 129 | 7 129 | 11 041 | 11 319 | 12 058 |
| Households | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 87 694 | 91 548 | 84 760 | 95 595 | 95 595 | 95 595 | 92 693 | 91 254 | 96 730 |

Table 16.F : Payments and estimates by economic classification: Mass Participation and Sport Development grant

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | 87 694 | 90 548 | 75 191 | 78 306 | 78 306 | 78 306 | 78 150 | 79 935 | 84 672 |
| Compensation of employees | 35 625 | 14 394 | 12 090 | 13 198 | 13 198 | 13 198 | 13 042 | 13 396 | 14 338 |
| Salaries and wages | 34 606 | 14 184 | 11 486 | 10 558 | 10 558 | 10 558 | 9 989 | 10 605 | 11 168 |
| Social contributions | 1 019 | 210 | 604 | 2 640 | 2 640 | 2 640 | 3 053 | 2 791 | 3 170 |
| Goods and services | 52 069 | 76 154 | 63 101 | 65 108 | 65 108 | 65 108 | 65 108 | 66 539 | 70 334 |
| Advertising | 33 | 61 | 274 | - | - | - | 70 | 70 | 70 |
| Catering: Departmental activities | 4 076 | 4 203 | 5 069 | 7 013 | 7 013 | 7 013 | 9 196 | 8 941 | 8 941 |
| Communication (G&S) | 3 | 12 | - | - | - | - | - | - | - |
| Cons & prof serv: Business and advisory services | 14 | 114 | 199 | - | - | - | 158 | 100 | 100 |
| Contractors | 332 | 595 | 976 | 238 | 238 | 238 | 1 273 | 1 111 | 1 111 |
| Agency and support / outsourced services | - | 378 | 561 | - | - | - | - | - | - |
| Inventory: Materials and supplies | 13 379 | 16 997 | 18 181 | 20 655 | 20 655 | 20 655 | 23 207 | 22 476 | 22 476 |
| Consumable: Stationery, printing and office supplies | 144 | 230 | 211 | 621 | 621 | 621 | 600 | 580 | 580 |
| Transport provided: Departmental activity | 4 865 | 10 795 | 6 096 | 4 889 | 4 889 | 4 889 | 5 332 | 4 470 | 4 470 |
| Travel and subsistence | 917 | 1 080 | 298 | 1 465 | 1 465 | 1 465 | 1 617 | 2 677 | 2 677 |
| Training and development | 1 016 | 703 | 1 082 | 248 | 248 | 248 | 1 640 | 1 140 | 1 140 |
| Operating payments | 265 | 506 | 409 | 186 | 186 | 186 | 172 | 193 | 193 |
| Venues and facilities | 27 025 | 40 480 | 29 745 | 29 793 | 29 793 | 29 793 | 21 843 | 24 781 | 28 576 |
| Transfers and subsidies to | - | - | 4 692 | 7 129 | 7 129 | 7 129 | 11 041 | 11 319 | 12 058 |
| Non-profit institutions | - | - | 4 692 | 7 129 | 7 129 | 7 129 | 11 041 | 11 319 | 12 058 |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 87 694 | 90 548 | 79 883 | 85 435 | 85 435 | 85 435 | 89 191 | 91 254 | 96 730 |

Table 16.G : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|--------------|------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | 1 000 | - | - | - | - | - | - | - |
| Compensation of employees | - | 1 000 | - | - | - | - | - | - | - |
| Salaries and wages | - | 980 | - | - | - | - | - | - | - |
| Social contributions | - | 20 | - | - | - | - | - | - | - |
| Goods and services | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to | - | - | 550 | 2 102 | 2 102 | 2 102 | 2 000 | - | - |
| Provinces and municipalities | - | - | 550 | 2 102 | 2 102 | 2 102 | 2 000 | - | - |
| Municipalities | - | - | 550 | 2 102 | 2 102 | 2 102 | 2 000 | - | - |
| Municipalities | - | - | 550 | 2 102 | 2 102 | 2 102 | 2 000 | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | - | 1 000 | 550 | 2 102 | 2 102 | 2 102 | 2 000 | - | - |

Table 16.H : Payments and estimates by economic classification: Social Sector EPWP Incentive Grant for Provinces

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|----------|--------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2011/12 | 2012/13 | 2013/14 | | | | 2015/16 | 2016/17 | 2017/18 |
| Current payments | - | - | 4 327 | 8 058 | 8 058 | 8 058 | 1 502 | - | - |
| Compensation of employees | - | - | 4 327 | 8 058 | 8 058 | 8 058 | 1 502 | - | - |
| Salaries and wages | - | - | 4 240 | 7 897 | 7 897 | 7 897 | 1 202 | - | - |
| Social contributions | - | - | 87 | 161 | 161 | 161 | 300 | - | - |
| Goods and services | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | - | - | 4 327 | 8 058 | 8 058 | 8 058 | 1 502 | - | - |

Table 16.1 : Sport and Recreation - Payments of infrastructure by category

| Table 10: Sport and Recreation: Payments for financial assets by category | | | | | | | | | | | | | | | |
|---|---|-----------------------|--|-------|------------------|---------------|---------------------------------|-----------------------|-------------------------------------|--------------------|---|-----------------|---------|------------------------|---|
| No. | Project name | Municipality / Region | Type of infrastructure | | Project duration | | Source of funding | Budget programme name | Targeted number of jobs for 2015/16 | Total project cost | Expenditure to date from previous years | Total available | | MTEF Forward estimates | |
| | | | School - primary/ secondary/ specialised; admin block; water; electricity; sanitation/toilet; fencing etc. | Units | Date: Start | Date: Finish | | | | | | 2015/16 | 2016/17 | 2017/18 | |
| R thousands | | | | | | | | | | | | | | | |
| Existing infrastructure assets | | | | | | | | | | | | | | | |
| <i>of which:</i> | | | | | | | | | | | | | | | |
| | Maintenance and repair: Current | | | | | | | | - | - | - | - | - | - | - |
| | Upgrades and additions: Capital | | | | | | | | - | - | - | - | - | - | - |
| | Refurbishment and rehabilitation: Capital | | | | | | | | - | - | - | - | - | - | - |
| New infrastructure assets: Capital | | | | | | | | | | | | | | | |
| <i>of which:</i> | | | | | | | | | | | | | | | |
| | Sport and Recreation | eThekweni | Combination courts | 26 | 01 April 2013 | 31 March 2018 | Equitable share | Sport and Recreation | 32 | 17 028 | 71 059 | 18 264 | 18 410 | 19 570 | |
| | Sport and Recreation | eThekweni | Sport fields | 4 | 01 April 2013 | 31 March 2018 | Equitable share | Sport and Recreation | 4 | 8 200 | 16 498 | 8 600 | 9 040 | 9 500 | |
| | Sport and Recreation | eThekweni | Kick-abouts | 22 | 01 April 2013 | 31 March 2018 | Equitable share | Sport and Recreation | 33 | 4 950 | 2 608 | 4 950 | 4 950 | 4 950 | |
| | Administration | eThekweni | Office buildings | 2 | 01 April 2013 | 31 March 2018 | Equitable share | Administration | 2 | 8 000 | 10 680 | 4 500 | - | - | |
| Infrastructure transfers | | | | | | | | | | | | | | | |
| <i>of which:</i> | | | | | | | | | | | | | | | |
| | Infrastructure transfers: Current | | | | | | | | 34 | 52 200 | 160 738 | 41 650 | 11 650 | 11 650 | |
| | Sport and Recreation | eThekweni | Maintenance grants | 22 | 01 April 2011 | 31 March 2018 | Equitable share and conditional | Sport and Recreation | 22 | 3 300 | 11 550 | 1 650 | 1 650 | 1 650 | |
| | Infrastructure transfers: Capital | | | | | | | | 12 | 48 900 | 149 188 | 40 000 | 10 000 | 10 000 | |
| | Sport and Recreation | eThekweni | Sport facilities | 8 | 04 January 2011 | 31 March 2018 | Equitable share | Sport and Recreation | 12 | 48 900 | 149 188 | 40 000 | 10 000 | 10 000 | |
| Infrastructure: Payments for financial assets | | | | | | | | | | | | | | | |
| Infrastructure: Leases | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | |
| | Capital infrastructure | | | | | | | | 105 | 90 378 | 261 583 | 77 964 | 44 050 | 45 670 | |
| | Current infrastructure | | | | | | | | 83 | 87 078 | 250 033 | 76 314 | 42 400 | 44 020 | |
| | | | | | | | | | 22 | 3 300 | 11 550 | 1 650 | 1 650 | 1 650 | |

Table 16.J : Summary of transfers to local government

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | 525 | - | 30 000 | - | - | 30 000 | - | - |
| Total: Ugu Municipalities | 300 | 1 125 | 3 225 | 2 550 | 3 600 | 3 600 | 150 | - | - |
| B KZN211 Vulamehlo | 150 | 150 | - | - | - | - | - | - | - |
| B KZN212 Umdoni | - | 150 | 150 | - | - | - | - | - | - |
| B KZN213 Umzumbe | 150 | 150 | 525 | 2 250 | 1 725 | 1 725 | 150 | - | - |
| B KZN214 uMuziwabantu | - | - | 150 | 150 | 150 | 150 | - | - | - |
| B KZN215 Ezinqoleni | - | 525 | 1 725 | 150 | 150 | 150 | - | - | - |
| B KZN216 Hibiscus Coast | - | 150 | 675 | - | 1 575 | 1 575 | - | - | - |
| C DC21 Ugu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | 2 197 | 2 550 | 1 875 | 2 400 | 300 | 300 | 150 | - | - |
| B KZN221 uMshwathi | - | - | - | - | - | - | - | - | - |
| B KZN222 uMngeni | - | - | - | - | - | - | - | - | - |
| B KZN223 Mpofana | 322 | 150 | 150 | - | - | - | - | - | - |
| B KZN224 Impendle | 150 | 150 | - | - | - | - | - | - | - |
| B KZN225 Msunduzi | 525 | 2 100 | 1 725 | 150 | 150 | 150 | - | - | - |
| B KZN226 Mkhambathini | 1 200 | 150 | - | - | - | - | - | - | - |
| B KZN227 Richmond | - | - | - | 2 250 | 150 | 150 | 150 | - | - |
| C DC22 uMgungundlovu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Uthukela Municipalities | 300 | 975 | 1 350 | 300 | 675 | 675 | - | - | - |
| B KZN232 Emnambithi/Ladysmith | 150 | 150 | - | - | - | - | - | - | - |
| B KZN233 Indaka | - | - | - | 150 | - | - | - | - | - |
| B KZN234 Umtshezi | - | 525 | 1 200 | 150 | 675 | 675 | - | - | - |
| B KZN235 Okhahlamba | - | 150 | 150 | - | - | - | - | - | - |
| B KZN236 Imbabazane | 150 | 150 | - | - | - | - | - | - | - |
| C DC23 Uthukela District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | 4 290 | 3 015 | 1 500 | 150 | 675 | 675 | 10 000 | - | - |
| B KZN241 Endumeni | - | 150 | 150 | - | - | - | 10 000 | - | - |
| B KZN242 Ngutu | 840 | 1 515 | 1 200 | - | 525 | 525 | - | - | - |
| B KZN244 Msinga | 2 250 | 1 200 | 150 | 150 | 150 | 150 | - | - | - |
| B KZN245 Umvoti | 1 200 | 150 | - | - | - | - | - | - | - |
| C DC24 Umzinyathi District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | 1 942 | 2 250 | 1 050 | 150 | 2 925 | 2 925 | 300 | - | - |
| B KZN252 Newcastle | 7 | 525 | 525 | 150 | 1 200 | 1 200 | 150 | - | - |
| B KZN253 eMadlangeni | 150 | 150 | 525 | - | 1 725 | 1 725 | 150 | - | - |
| B KZN254 Dannhauser | - | - | - | - | - | - | - | - | - |
| C DC25 Amajuba District Municipality | 1 785 | 1 575 | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | 150 | 675 | 2 175 | 2 850 | 2 850 | 2 850 | 150 | - | - |
| B KZN261 eDumbe | - | - | - | 150 | 150 | 150 | 150 | - | - |
| B KZN262 uPhongolo | - | 525 | 1 200 | 150 | 675 | 675 | - | - | - |
| B KZN263 Abaqulusi | - | - | 675 | 2 250 | 1 725 | 1 725 | - | - | - |
| B KZN265 Nongoma | - | - | 150 | 150 | 150 | 150 | - | - | - |
| B KZN266 Ulundi | 150 | 150 | 150 | 150 | 150 | 150 | - | - | - |
| C DC26 Zululand District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Umkhanyakude Municipalities | 2 490 | 2 220 | 4 545 | 4 500 | 3 975 | 3 975 | - | - | - |
| B KZN271 Umhlabuyalingana | 150 | 150 | 525 | 2 100 | 1 575 | 1 575 | - | - | - |
| B KZN272 Jozini | 150 | 675 | 1 725 | 150 | 150 | 150 | - | - | - |
| B KZN273 The Big 5 False Bay | 1 200 | 150 | - | - | - | - | - | - | - |
| B KZN274 Hlabisa | 150 | 675 | 1 200 | 150 | 675 | 675 | - | - | - |
| B KZN275 Mtubatuba | 840 | 570 | 1 095 | 2 100 | 1 575 | 1 575 | - | - | - |
| C DC27 Umkhanyakude District Municipality | - | - | - | - | - | - | - | - | - |
| Total: uThungulu Municipalities | 2 925 | 2 025 | 2 775 | 4 500 | 3 450 | 3 450 | 300 | - | - |
| B KZN281 Umfolozi | - | 675 | 1 725 | - | - | - | - | - | - |
| B KZN282 uMhlathuze | - | - | - | - | - | - | - | - | - |
| B KZN283 Ntambanana | 150 | 150 | 525 | 2 250 | 1 725 | 1 725 | 150 | - | - |
| B KZN284 uMlalazi | - | - | 525 | 2 250 | 1 725 | 1 725 | 150 | - | - |
| B KZN285 Mthonjaneni | - | - | - | - | - | - | - | - | - |
| B KZN286 Nkandla | 2 775 | 1 200 | - | - | - | - | - | - | - |
| C DC28 uThungulu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Ilembe Municipalities | 1 140 | 1 545 | 1 350 | 4 350 | 2 775 | 2 775 | 150 | - | - |
| B KZN291 Mandeni | 150 | 150 | - | 150 | 150 | 150 | 150 | - | - |
| B KZN292 KwaDukuza | 150 | 150 | - | - | - | - | - | - | - |
| B KZN293 Ndwedwe | 840 | 570 | 150 | 2 100 | - | - | - | - | - |
| B KZN294 Maphumulo | - | 675 | 1 200 | 2 100 | 2 625 | 2 625 | - | - | - |
| C DC29 Ilembe District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | 2 490 | 1 695 | 1 620 | 450 | 975 | 975 | 450 | - | - |
| B KZN431 Ingwe | 150 | 675 | 1 050 | 150 | 675 | 675 | 150 | - | - |
| B KZN432 Kwa Sani | 150 | 150 | - | 150 | 150 | 150 | 150 | - | - |
| B KZN433 Greater Kokstad | 1 200 | 150 | - | 150 | 150 | 150 | 150 | - | - |
| B KZN434 Ubuhlebezwe | 840 | 570 | 570 | - | - | - | - | - | - |
| B KZN435 Umzimkulu | 150 | 150 | - | - | - | - | - | - | - |
| C DC43 Harry Gwala District Municipality | - | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | 11 650 | 11 650 |
| Total | 18 224 | 18 600 | 21 465 | 52 200 | 22 200 | 22 200 | 41 650 | 11 650 | 11 650 |

Table 16.K : Transfers to local government - Infrastructure

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| A KZN2000 eThekweni | - | 525 | - | 30 000 | - | - | 30 000 | - | - |
| Total: Ugu Municipalities | - | 525 | 2 625 | 2 100 | 3 150 | 3 150 | - | - | - |
| B KZN213 Umzumbe | - | - | 525 | 2 100 | 1 575 | 1 575 | - | - | - |
| B KZN215 Ezingoloni | - | 525 | 1 575 | - | - | - | - | - | - |
| B KZN216 Hibiscus Coast | - | - | 525 | - | 1 575 | 1 575 | - | - | - |
| Total: uMgungundlovu Municipalities | 1 897 | 2 100 | 1 575 | 2 100 | - | - | - | - | - |
| B KZN223 Mpofana | 322 | - | - | - | - | - | - | - | - |
| B KZN225 Msunduzi | 525 | 2 100 | 1 575 | - | - | - | - | - | - |
| B KZN226 Mkhambathini | 1 050 | - | - | - | - | - | - | - | - |
| B KZN227 Richmond | - | - | - | 2 100 | - | - | - | - | - |
| Total: Uthukela Municipalities | - | 525 | 1 050 | - | 525 | 525 | - | - | - |
| B KZN234 Umtshezi | - | 525 | 1 050 | - | 525 | 525 | - | - | - |
| Total: Umzinyathi Municipalities | 3 990 | 2 415 | 1 050 | - | 525 | 525 | 10 000 | - | - |
| B KZN241 Endumeni | - | - | - | - | - | - | 10 000 | - | - |
| B KZN242 Ngutu | 840 | 1 365 | 1 050 | - | 525 | 525 | - | - | - |
| B KZN244 Msinga | 2 100 | 1 050 | - | - | - | - | - | - | - |
| B KZN245 Umvoti | 1 050 | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | 1 792 | 2 100 | 1 050 | - | 2 625 | 2 625 | - | - | - |
| B KZN252 Newcastle | 7 | 525 | 525 | - | 1 050 | 1 050 | - | - | - |
| B KZN253 eMadlangeni | - | - | 525 | - | 1 575 | 1 575 | - | - | - |
| C DC25 Amajuba District Municipality | 1 785 | 1 575 | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | 525 | 1 575 | 2 100 | 2 100 | 2 100 | - | - | - |
| B KZN261 eDumbe | - | - | - | - | - | - | - | - | - |
| B KZN262 uPhongolo | - | 525 | 1 050 | - | 525 | 525 | - | - | - |
| B KZN263 Abaqulusi | - | - | 525 | 2 100 | 1 575 | 1 575 | - | - | - |
| Total: Umkhanyakude Municipalities | 1 890 | 1 470 | 4 095 | 4 200 | 3 675 | 3 675 | - | - | - |
| B KZN271 Umhlabuyalingana | - | - | 525 | 2 100 | 1 575 | 1 575 | - | - | - |
| B KZN272 Jozini | - | 525 | 1 575 | - | - | - | - | - | - |
| B KZN273 The Big 5 False Bay | 1 050 | - | - | - | - | - | - | - | - |
| B KZN274 Hlabisa | - | 525 | 1 050 | - | 525 | 525 | - | - | - |
| B KZN275 Mtubatuba | 840 | 420 | 945 | 2 100 | 1 575 | 1 575 | - | - | - |
| Total: uThungulu Municipalities | 2 625 | 1 575 | 2 625 | 4 200 | 3 150 | 3 150 | - | - | - |
| B KZN281 Umfolozi | - | 525 | 1 575 | - | - | - | - | - | - |
| B KZN283 Ntambanana | - | - | 525 | 2 100 | 1 575 | 1 575 | - | - | - |
| B KZN284 uMlalazi | - | - | 525 | 2 100 | 1 575 | 1 575 | - | - | - |
| B KZN286 Nkandla | 2 625 | 1 050 | - | - | - | - | - | - | - |
| Total: Ilembe Municipalities | 840 | 945 | 1 050 | 4 200 | 2 625 | 2 625 | - | - | - |
| B KZN293 Ndwedwe | 840 | 420 | - | 2 100 | - | - | - | - | - |
| B KZN294 Maphumulo | - | 525 | 1 050 | 2 100 | 2 625 | 2 625 | - | - | - |
| Total: Harry Gwala Municipalities | 1 890 | 945 | 1 470 | - | 525 | 525 | - | - | - |
| B KZN431 Ingwe | - | 525 | 1 050 | - | 525 | 525 | - | - | - |
| B KZN433 Greater Kokstad | 1 050 | - | - | - | - | - | - | - | - |
| B KZN434 Ubuhlebezwe | 840 | 420 | 420 | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | 10 000 | 10 000 | |
| Total | 14 924 | 13 650 | 18 165 | 48 900 | 18 900 | 18 900 | 40 000 | 10 000 | 10 000 |

Table 16.L : Transfers to local government - Maintenance Grant

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2016/17 | 2017/18 |
| Total: Ugu Municipalities | 300 | 600 | 600 | 450 | 450 | 450 | 150 | - | - |
| B KZN211 Vulamehlo | 150 | 150 | - | - | - | - | - | - | - |
| B KZN212 Umdoni | - | 150 | 150 | - | - | - | - | - | - |
| B KZN213 Umzumbe | 150 | 150 | - | 150 | 150 | 150 | 150 | - | - |
| B KZN214 uMuziwabantu | - | - | 150 | 150 | 150 | 150 | - | - | - |
| B KZN215 Ezinqoleni | - | - | 150 | 150 | 150 | 150 | - | - | - |
| B KZN216 Hibiscus Coast | - | 150 | 150 | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | 300 | 450 | 300 | 300 | 300 | 300 | 150 | - | - |
| B KZN223 Mpofana | - | 150 | 150 | - | - | - | - | - | - |
| B KZN224 Impendle | 150 | 150 | - | - | - | - | - | - | - |
| B KZN225 Msunduzi | - | - | 150 | 150 | 150 | 150 | - | - | - |
| B KZN226 Mkhambathini | 150 | 150 | - | - | - | - | - | - | - |
| B KZN227 Richmond | - | - | - | 150 | 150 | 150 | 150 | - | - |
| Total: Uthukela Municipalities | 300 | 450 | 300 | 300 | 150 | 150 | - | - | - |
| B KZN232 Emnambithi/Ladysmith | 150 | 150 | - | - | - | - | - | - | - |
| B KZN233 Indaka | - | - | - | 150 | - | - | - | - | - |
| B KZN234 Umtshezi | - | - | 150 | 150 | 150 | 150 | - | - | - |
| B KZN235 Okhahlamba | - | 150 | 150 | - | - | - | - | - | - |
| B KZN236 Imbabazane | 150 | 150 | - | - | - | - | - | - | - |
| Total: Umzinyathi Municipalities | 300 | 600 | 450 | 150 | 150 | 150 | - | - | - |
| B KZN241 Endumeni | - | 150 | 150 | - | - | - | - | - | - |
| B KZN242 Nqutu | - | 150 | 150 | - | - | - | - | - | - |
| B KZN244 Msinga | 150 | 150 | 150 | 150 | 150 | 150 | - | - | - |
| B KZN245 Umvoti | 150 | 150 | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | 150 | 150 | - | 150 | 300 | 300 | 300 | - | - |
| B KZN252 Newcastle | - | - | - | 150 | 150 | 150 | 150 | - | - |
| B KZN253 eMadlangeni | 150 | 150 | - | - | 150 | 150 | 150 | - | - |
| Total: Zululand Municipalities | 150 | 150 | 600 | 750 | 750 | 750 | 150 | - | - |
| B KZN261 eDumbe | - | - | - | 150 | 150 | 150 | 150 | - | - |
| B KZN262 uPhongolo | - | - | 150 | 150 | 150 | 150 | - | - | - |
| B KZN263 Abaqulusi | - | - | 150 | 150 | 150 | 150 | - | - | - |
| B KZN265 Nongoma | - | - | 150 | 150 | 150 | 150 | - | - | - |
| B KZN266 Ulundi | 150 | 150 | 150 | 150 | 150 | 150 | - | - | - |
| Total: Umkhanyakude Municipalities | 600 | 750 | 450 | 300 | 300 | 300 | - | - | - |
| B KZN271 Umhlabyalingana | 150 | 150 | - | - | - | - | - | - | - |
| B KZN272 Jozini | 150 | 150 | 150 | 150 | 150 | 150 | - | - | - |
| B KZN273 The Big 5 False Bay | 150 | 150 | - | - | - | - | - | - | - |
| B KZN274 Hlabisa | 150 | 150 | 150 | 150 | 150 | 150 | - | - | - |
| B KZN275 Mtubatuba | - | 150 | 150 | - | - | - | - | - | - |
| Total: uThungulu Municipalities | 300 | 450 | 150 | 300 | 300 | 300 | 300 | - | - |
| B KZN281 Umfolozi | - | 150 | 150 | - | - | - | - | - | - |
| B KZN283 Ntambanana | 150 | 150 | - | 150 | 150 | 150 | 150 | - | - |
| B KZN284 uMlalazi | - | - | - | 150 | 150 | 150 | 150 | - | - |
| B KZN286 Nkandla | 150 | 150 | - | - | - | - | - | - | - |
| Total: Ilembe Municipalities | 300 | 600 | 300 | 150 | 150 | 150 | 150 | - | - |
| B KZN291 Mandeni | 150 | 150 | - | 150 | 150 | 150 | 150 | - | - |
| B KZN292 KwaDukuza | 150 | 150 | - | - | - | - | - | - | - |
| B KZN293 Ndwedwe | - | 150 | 150 | - | - | - | - | - | - |
| B KZN294 Maphumulo | - | 150 | 150 | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | 600 | 750 | 150 | 450 | 450 | 450 | 450 | - | - |
| B KZN431 Ingwe | 150 | 150 | - | 150 | 150 | 150 | 150 | - | - |
| B KZN432 Kwa Sani | 150 | 150 | - | 150 | 150 | 150 | 150 | - | - |
| B KZN433 Greater Kokstad | 150 | 150 | - | 150 | 150 | 150 | 150 | - | - |
| B KZN434 Ubuhlebezwe | - | 150 | 150 | - | - | - | - | - | - |
| B KZN435 Umzimkulu | 150 | 150 | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | 1 650 | 1 650 |
| Total | 3 300 | 4 950 | 3 300 | 3 300 | 3 300 | 3 300 | 1 650 | 1 650 | 1 650 |