

# Vote 3

## Provincial Treasury

	2015/16 To be appropriated	2016/17	2017/18
<b>MTEF allocations</b>	<b>R262 029 000</b>	<b>R278 733 000</b>	<b>R325 607 000</b>
Responsible MEC	Provincial Minister of Finance		
Administering Department	Provincial Treasury		
Accounting Officer	Head of Department and Head Official: Provincial Treasury		

### 1. Overview

#### Vision

Good governance through financial accountability.

#### Mission

To improve governance through:

- Enhancing accountability and oversight
- Creating public value
- Enabling delivery of quality services through partnerships
- Capacity building in public sector finance

#### Core functions and responsibilities

The core functions, powers and responsibilities of the Provincial Treasury are captured in section 18 of the PFMA and section 5 of the MFMA. To give effect to the National Strategic Outcomes (NSO) 9 and 12 and Provincial Strategic Goal 5 (PSG 5): Embed good governance and integrated service delivery through partnerships and spatial alignment. The branches Fiscal and Economic Services and Governance and Asset Management will execute the following core functions and responsibilities:

- To manage the provincial and municipal fiscal resources effectively;
- To facilitate the effective and efficient management of assets and financial systems; and
- To promote accountability in financial activities and compliance with financial norms and standards.

## **Main services and core functions**

Within the legislative context of section 18 of the PFMA and section 5 of the MFMA, the main services to be provided by the Provincial Treasury include the following:

Internally:

- provide ministerial support services;
- improve corporate management processes; and
- provide financial administrative services to the Department.

Transversally or Externally:

- research and advise on the management of the provincial and municipal fiscal resources;
- improve allocative efficiency within the provincial and municipal budget;
- improve the conformance, credibility, sustainability and guide and monitor the efficient implementation of the provincial budget;
- guide and monitor the implementation of municipal budgets;
- institutionalise and standardise good practice methodologies, tools and systems for efficient and effective physical infrastructure delivery and maintenance;
- render an effective data information management service;
- provide policy direction and facilitating the management of supply chain and asset management practices in departments and municipalities;
- provide for the implementation, management and oversight of provincially operated financial systems and the transition to the IFMS;
- improve the application of accounting standards and financial reporting within municipalities;
- improve the application of accounting practices in line with the reporting framework, prepare provincial consolidated financial statements and gradually drive financial governance reform; and
- develop, monitor and advise on norms and standards of corporate governance within municipalities.

## **Demands and changes in service**

During the 2014/15 financial year the Provincial Treasury received R648.298 million of which an amount of R429.385 million was ring fenced for transversal projects, to be released to various departments in the 2014 Adjusted Estimates. During the finalisation of the 2014/15 Adjusted Estimates it was established that the transversal projects had stabilised and moved beyond the planning stage. Transversal Projects funding has been re-allocated to implementing votes in the 2014/15 Adjusted Estimates and over the 2015/16 MTEF in order to facilitate accountability and good governance.

## Acts, rules and regulations

The legislative mandate, within which the Provincial Treasury operates, mainly consists of the following mix of national and provincial legislation:

### **Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA)**

To establish the powers of a Provincial Treasury in terms of section 17 of the PFMA (Act 1 of 1999) and to mandate a Provincial Treasury with the powers and functions in terms of Section 18 of the PFMA that are assigned the Provincial Treasury.

### **Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003)**

To provide Treasury with the regularity framework terms of section 5(4) of the MFMA, 2003 (Act 56 of 2003) and to inter alia monitor compliance with the MFMA for municipalities and municipal entities in the Province.

### **Annual Division of Revenue Act**

To provide for the equitable division of revenue raised nationally, inclusive of conditional grants, amongst the three spheres of government and matters incidental thereto.

### **Government Immoveable Asset Management Act, 2007 (Act 19 of 2007)**

To provide a uniform framework for the management of immoveable assets that are held or used by provincial (in this case) departments and to ensure the optimal coordination of the use of such immoveable assets within the context of the departmental service delivery objectives.

### **Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997)**

To define, amongst others, the role of the Provincial Minister of Finance, and that of the Treasury as representative of the Provincial Government; promoting co-operation between spheres of government on fiscal, budgetary and financial matters; to provide insight into the prescribed processes for the determination of the equitable share and allocation of revenue raised nationally and for matters connected therewith.

### **Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)**

To establish a framework for the national government, provincial governments and local governments to promote and facilitate intergovernmental relations; to provide for mechanisms and procedures to facilitate the settlement of intergovernmental disputes; and to provide for matters connected therewith.

### **Public Audit Act, 2004 (Act 25 of 2004)**

To provide assistance to the Auditor-General's Office in the recovering of outstanding audit fees, to appropriately respond or intervene (as the case may be) on matters arising from audit reports and to provide for matters connected therewith.

### **Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)**

To provide the Treasury with a regulatory framework enabling and assisting departments and potential historically disadvantaged individuals (HDIs) in the sustainable development and implementation of a preferential procurement system.

### **Provincial Tax Regulation Process Act, 2001 (Act 53 of 2001)**

To regulate the intergovernmental process that must be followed by provinces in the exercise of their power in terms of section 228 of the Constitution to impose taxes, levies and duties, and flat-rate surcharges on the tax bases of any tax, levy or duty imposed by national legislation; and to provide for matters connected therewith.

**Public Service Act, 1994 (Act 103 of 1994) as amended**

To provide for the organisation and administration of the Treasury and for human resource management which includes the regulation of conditions of employment, terms of office, discipline, retirement and discharge of staff members of the Treasury and matters connected therewith.

**Western Cape Adjustments Appropriation Act, 2014 (Act 6 of 2014)**

To appropriate adjusted amounts of money from the Provincial Revenue Fund for the requirements of the Province of the Western Cape in respect of the financial year ending 31 March 2014; and to provide for matters incidental thereto.

**Western Cape Direct Charges Act, 2000 (Act 6 of 2000) as amended**

To provide for the withdrawal of State moneys from the Western Cape Provincial Revenue Fund, as a direct charge, in accordance with the Constitution of the Republic of South Africa, 1996, the Constitution of the Western Cape, 1997 (Act 1 of 1998) and the Public Finance Management Act, 1999 (Act 1 of 1999), and for matters incidental thereto.

**Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996) as amended**

To provide regulatory prescripts to support the Member of the Executive Council responsible for the Act to ensure sound financial administration by the Western Cape Gambling and Racing Board, in regulating the gambling activities in the Province and to provide for matters connected therewith.

**Western Cape Law on the Powers and Privileges of the Provincial Legislature Amendment Act, 1998 (Law 3 of 1998)**

To provide the Treasury with regulatory prescripts in assisting the Provincial Parliament when necessary in meeting their financial responsibilities as set out in legislation.

## **Budget decisions**

The Provincial Treasury's approach to the 2015 budget allocation process for all the Departments was to maintain an appropriate balance between revenue and expenditure, the allocations had to reflect the priorities of government in the Western Cape and ensure efficient quality services. The budget framework was therefore designed to balance public finance while managing risks and maintaining fiscal stability and give effect to the Provincial Strategic Plan 2014 - 2019. The Strategic Plan in turn was based on the five strategic goals of the Province, as discussed in the Overview of Provincial Revenue and Expenditure 2015.

The preparation of the Department's 2015 Budget was based on the outcome of the underlying principles that guided the allocations in the Adjusted Estimates 2014. Specific sessions were then held per Programme and Sub-programme between the CFO and senior managers to scrutinise all allocations at the lowest level, ensuring that all programmes received funds in a fair and equitable manner that was transparent to all. The outcome of these discussions was then followed with a presentation to the Accounting Officer and Branch Manager: Fiscal and Economic Services.

## **Aligning departmental budgets to achieve government's prescribed outcomes**

Nationally, two outcomes being responded to are respectively: Outcome 9: A responsive, accountable, effective and efficient local government system; and Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.

These two national outcomes have been incorporated in the Provincial Strategic Goal 5 (PSG) 5: Embed good governance and integrated service delivery through partnerships and spatial alignment.

The current and planned activities, as espoused in the 2015 Annual Performance Plan of Provincial Treasury, reflects strong alignment to both National Outcomes 9 and 12 and includes detailed information on how PSG 5 will be implemented over the medium term.

During the 2014/15 financial year the Western Cape Government formulated five strategic goals which aim to contribute toward the realisation of the National Development Plan, and intended to bring the Western Cape's vision as an open opportunity society for all. The Provincial Treasury, just like all other departments, aligned its new five year Strategic Plan and Annual Performance Plan to particularly Provincial Strategic Goal 5, i.e. embed good governance and integrated service delivery through partnerships and spatial alignment.

## **2. Review of the current financial year (2014/15)**

The Provincial Treasury as in previous years again placed emphasis on progressive improvement of its financial management practises in attaining its key performance areas for 2014/15. These included the following:

The Fiscal Policy unit focussed on the development and assessment of municipal service charges and the maintenance of transparency within credible limits, while provincial own revenue performance was evaluated. This included the evaluation of revenue trends and revenue efficiency towards promoting effective revenue management inclusive of gambling taxes. The unit was also responsible for the management of transfer payments to the Western Cape Gambling and Racing Board and ensured that efficient regulation of the gaming industry was adhered to. Budget Management undertook socio-economic and budget policy related research in order to prepare Provincial and Municipal budget proposals.

The Public Finance units (Local and Provincial Government) focussed on reporting requirements to enhance accountability, data integrity and efficiency within provincial departments and municipalities. Furthermore, the units improved financial management by facilitating the standardisation of expenditure management processes.

The Infrastructure unit assisted with the continued implementation Western Cape Infrastructure Delivery Management System (WC IDMS) for the Departments of Education, Health and Transport and Public Works. Ongoing training and support to several role-players required due diligence that ensured value for money was attained where infrastructure budgets were implemented in an effective economic manner while environmental issues were also addressed in the process.

The Business Information and Data Management unit rendered data information services and performance information on a central depository that assisted with proper decision making and credible publications that were tabled. The unit also improved internal co-ordination within Treasury by improving intergovernmental co-ordination between the Province and Municipalities. A centralised filing system was further developed aiming to conform to archives and records prescripts, while standard operating procedures were developed as the basis to improve and contribute to the provision of accurate financial management information that in turn assisted with proper decision making, monitoring and more credible reporting.

Improved procurement planning by means of strategic sourcing was promoted to foster closer linkages between budget planning and service delivery for both municipalities and provincial departments. The knowledge of the SCM practitioners assisted to ensure a higher level of operational efficiency and conformance within departments and municipalities. The Western Cape Supplier Database for departments and the Supplier Database for municipalities were improved, where more departments

made use of the database to obtain bids through transparent and open processes, while supplier support and capacity building took place within municipalities during open days.

The optimisation of transversal financial systems of provincial departments were improved to ensure that all users were appropriately trained and capacitated and these required internal controls were put in place to correct the optimal utilisation of systems, effective user account management and compliance to legislative requirements. The piloting of the new e-procurement solution (iPS) was rolled out to Western Cape Government and will systematically replace the current electronic purchasing system (EPS) which will improve efficiency and effectiveness of SCM in provincial departments.

The continued implementation of the latest accounting standards and monitoring and implementation of transitional provisions within provincial departments and municipalities were driven forward in technical forums. Work was also done to assist departments in training their enlarged Internal Control units, while funding for the increased establishments were provided to all departments during the 2014 Adjusted Estimates. The process of institutionalising financial governance maturity of departments was embedded in the work done by the Compliance Unit.

The third round of Municipal Government Review and Outlook (MGRO) on the financial governance maturity of municipalities was driven forward with the key focus to obtain integration of all criteria across Provincial Treasury service lines and also to introduce additional criteria for municipalities to achieve higher levels of governance. The unit also assisted the Province with relevant legislative changes that affected different spheres of government to ensure that all parties were timeously informed and given the opportunity to provide inputs before final promulgations of laws and regulations were tabled within the Province.

### **3. Outlook for the coming financial year (2015/16)**

Key areas of focus and delivery for the 2015/16 financial year mainly include:

#### **Fiscal Policy (Provincial and Local Government)**

Conducting fiscal policy research and analysis informs the development of the provincial and local government fiscal framework and budget policy.

Analyses and reports on the in-year cash flow and revenue performance for both provincial and local government.

Departmental oversight of the Western Cape Gambling and Racing Board (WCGRB).

#### **Budget Management (Provincial and Local Government)**

Inform the formulation of budget policy and recommend allocations in line with government strategic priorities and promote planning led budgeting with an integrated and spatial focus.

Assess provincial and municipal budgets to improve the responsiveness of the budgets to target socio-economic and policy objectives.

Inform the municipal budgetary processes to promote allocations in line with government strategic outcomes and promote planning led budgeting with an integrated and spatial focus.

#### **Public Finance (Provincial Government)**

Improve on the efficiency of expenditure management in departments through analysis on selected expenditure items and expenditure analytics, which will assist and inform strategic sourcing of goods and services.

Improve financial management to facilitate the professionalisation of public sector Management Accountants.

**Public Finance (Local Government)**

Implement the MFMA through IGR coordination between municipalities, provincial national departments and other related stakeholders.

Improve municipal budget implementation against the set standards and by knowledge sharing and training.

**Infrastructure**

Monitoring and enhancing infrastructure spending of designated departments and advocating the infrastructure delivery improvement processes.

Institutionalisation of the Western Cape Infrastructure Delivery Management System (WCIDMS) in Provincial Departments and the development of an IDMS for municipalities.

**Business Information and Data Management**

Enhance spatial integration of the data sets to promote the integration of information between spheres of government.

Improve accuracy and completeness of financial information and economic data to facilitate proper decision making, monitoring and credible reporting.

Mainstreaming Information Communication Technology (ICT) within the Department and monitor ICT Plan Initiatives and Projects.

**Supply Chain Management (Provincial and Local Government)**

Build capacity of both SCM practitioners and suppliers through bespoke training interventions, via helpdesk support, assistance and guidance, through road shows and the SCM Focus Group.

Improvement within SCM through, Business Process Optimisation (BPO), structured support programmes to departments through the Corporate Governance Review and Outlook (CGRO), targeted strategic sourcing projects and using automated SCM systems.

Improve SCM skills and capacity in municipalities via structured support programmes.

Promotion of improved procurement planning in order to increase efficiency in spending and value for money.

Promotion of integration of Supply Chain Management and Asset Management systems to ensure availability of accurate and timely information for both report and decision making purposes.

**Supporting and Interlinked Financial Systems**

Maintain and monitor financial systems within the departments including training interventions to promote the correct and optimal use and to improve the validity and veracity of data.

Roll-out and maintenance of the Integrated Procurement System (IPS) and the further configuration of the solution to accommodate bids as well as the management of the Western Cape Supplier Database.

Updating of data in current systems to improve financial reporting in preparation for the implementation of the Integrated Financial Management System (IFMS).

### **Accounting (Provincial and Local Government)**

Ensure accurate and complete recording of transactions as required by the Generally Recognised Accounting Practice (GRAP), and conformance with applicable financial laws and regulations toward preventing material misstatements and irregularities in the preparation of financial statements of municipalities.

Ensure the complete and accurate recording of transactions as required in terms of the associated financial reforms toward preventing irregularities and material financial misstatements in both the modified cash basis of accounting within departments and accrual basis of accounting within entities.

Monitor and report quarterly on the departmental Corporate Governance Review and Outlook (CGRO) governance action plans to enable the improvement of financial management.

Enable improvement of both governance and the application of the accounting framework through a structured training programme and E-GAP.

### **Corporate Governance**

Coordination of the Municipal Governance Review and Outlook (MGRO) and progressively driving the criteria across various disciplines to achieve higher levels of governance.

Utilise established forums such as the Chief Risk Officer (CRO) and Chief Audit Executive (CAE) fora to further direct the roll-out of relevant norms and standards training.

Review, assess and propose relevant financial legislation affecting all spheres of government and consequently, ensuring that stakeholders are informed.



## 4. Receipts and financing

### Summary of receipts

Table 4.1 below depicts the sources of funding for the vote.

**Table 4.1 Summary of receipts**

Receipts R'000	Outcome						Medium-term estimate			
	Audited  2011/12	Audited  2012/13	Audited  2013/14				Main appro- priation  2014/15	Adjusted appro- priation  2014/15	Revised estimate  2014/15	% Change from Revised estimate
				2015/16	2014/15	2016/17				2017/18
Treasury funding										
Equitable share	18 474	6 351	44 103	562 112	152 982	152 982	4 412	( 97.12)	38 833	77 832
Financing			( 63 610 )	10 560	10 560	10 560	28 386	168.81		
Provincial Revenue Fund			( 63 610 )	10 560	10 560	10 560	28 386	168.81		
Own receipts - Provincial Treasury (allocated to other votes)	( 233 041 )	( 233 041 )	( 233 041 )	( 244 971 )	( 244 971 )	( 244 971 )	( 245 625 )	0.27	( 246 129 )	( 246 129 )
Total Treasury funding	142 619	162 283	199 967	648 298	239 168	239 168	262 029	9.56	278 733	325 607
Departmental receipts										
Tax receipts	350 603	382 663	441 130	319 335	319 335	319 335	423 594	32.65	432 267	437 517
Sales of goods and services other than capital assets	2 163	2 527	2 646	1 214	1 214	1 214	1 214		1 214	1 214
Transfers received				1	1	1	1		1	1
Fines, penalties and forfeits	313	935	693							
Interest, dividends and rent on land		2	8				50 000		52 500	55 125
Financial transactions in assets and liabilities	4 107	2 846	8 038	47	47	47	47		47	47
Total departmental receipts	357 186	388 973	452 515	320 597	320 597	320 597	474 856	48.12	486 029	493 904
Total receipts	142 619	162 283	199 967	648 298	239 168	239 168	262 029	9.56	278 733	325 607

### Summary of receipts:

Total receipts increased by R22.861 million or 9.6 per cent from R239.168 million (revised estimate) in 2014/15 to R262.029 million in 2015/16. This is mainly due to an increase in funding of municipal governance improvement initiatives on specific deliverables, underpinned by project implementation plans, only to be released in the 2015 Adjusted Estimates.

### Treasury funding of which:

Equitable share allocations will amount to R4.412 million in 2015/16, R38.833 million in 2016/17 and R77.832 million in 2017/18.

Total departmental receipts for 2015/16 of R474.856 million will be allocated between the Department of the Premier (R245.625 million) and Provincial Treasury (R229.231 million), as the Department of the Premier also forms part of the Governance and Administration Cluster.

### **Details of departmental receipts:**

The departmental own receipts increases from R320.597 million in 2014/15 (revised estimate) to R474.856 million in 2015/16. The main source of this income is in respect of gambling tax receipts and interest income.

Tax receipts, of which casino and horse racing taxes are the main contributors, increase by R104.259 million or 32.7 per cent from a revised estimate of R319.335 million in 2014/15 to R423.594 million in 2015/16. The projected tax receipts over the MTEF show modest growth due to the current economic climate.

Under the item Interest, dividends and rent on land, interest is the only contributor amounting to R50 million in 2015/16, R52.500 million in 2016/17 and R55.125 million in 2017/18.

### **Donor funding (excluded from vote appropriation)**

None.

## **5. Payment summary**

### **Key assumptions**

Adjustments for salary increases are based on the National Treasury assumption that wage agreements will result in salary increases of 7.8 per cent for 2015/16 and 7.5 per cent for 2016/17 and 7.3 per cent for 2017/18, inclusive of a 2 per cent pay progression provision in each financial year. Adjustments for the majority of the non-personnel expenditure items, classified as goods and services and payments for capital assets, are based on CPI headline estimates of 5.8 per cent in 2015/16, which will decrease to 5.5 per cent in 2016/17 and 5.3 per cent 2017/18.

### **National and provincial priorities**

Nationally, the two outcomes (NSOs) being responded to, are respectively, NSO 9: A responsive, accountable, effective and efficient local government system; and NSO 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.

Provincially, both these national outcomes have been incorporated in the Provincial Strategic Goal 5 (PSG 5): Embed good governance and integrated service delivery through partnerships and spatial alignment.

### **Programme summary**

Table 5.1 indicates the budget or estimated expenditure per programme and Table 5.2 per economic classification. Details of the Government Financial Statistics (GFS) economic classifications are annexed hereto.

**Table 5.1 Summary of payments and estimates**

Programme R'000	Outcome						Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	% Change from Revised estimate
				2015/16	2014/15	2016/17				2017/18
1. Administration	31 138	35 462	40 780	44 886	44 943	44 943	52 058	15.83	54 934	62 260
2. Sustainable Resource Management	61 331	70 898	86 182	520 318	99 288	99 288	116 418	17.25	127 755	157 824
3. Asset Management	30 706	33 934	47 520	53 923	58 432	58 432	60 078	2.82	60 943	67 559
4. Financial Governance	19 444	21 989	25 485	29 171	36 505	36 505	33 475	( 8.30)	35 101	37 964
Total payments and estimates	142 619	162 283	199 967	648 298	239 168	239 168	262 029	9.56	278 733	325 607

Note:

Programme 1: MEC total remuneration package as at 23 February 2015: R1 652 224 with effect from 1 April 2013. The proclamation in terms of Gazette number 38470, determining the remuneration of Public Office Bearers with effect from 1 April 2014, is still under consideration.

**Summary by economic classification****Table 5.2 Summary of payments and estimates by economic classification**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
				Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	2015/16	2014/15	2016/17	2017/18
Current payments	135 303	147 052	172 782	196 690	205 681	205 681	219 315	6.63	230 597	256 192
Compensation of employees	94 973	107 182	125 299	146 221	139 651	139 651	152 678	9.33	165 087	178 910
Goods and services	40 301	39 870	47 483	50 469	66 030	66 030	66 637	0.92	65 510	77 282
Interest and rent on land	29									
Transfers and subsidies to	4 640	11 795	22 389	446 738	28 928	28 928	37 925	31.10	43 085	63 502
Provinces and municipalities	3 450	8 250	15 369	435 385	16 800	16 800	24 831	47.80	29 558	49 258
Departmental agencies and accounts	83	2 411	5 525	10 406	10 409	10 409	10 491	0.79	10 911	11 489
Non-profit institutions					100	100		( 100.00)		
Households	1 107	1 134	1 495	947	1 619	1 619	2 603	60.78	2 616	2 755
Payments for capital assets	2 633	3 404	4 359	4 870	4 530	4 530	4 789	5.72	5 051	5 913
Machinery and equipment	2 633	3 404	4 324	4 870	4 504	4 504	4 764	5.77	5 024	5 884
Software and other intangible assets			35		26	26	25	( 3.85)	27	29
Payments for financial assets	43	32	437		29	29		( 100.00)		
Total economic classification	142 619	162 283	199 967	648 298	239 168	239 168	262 029	9.56	278 733	325 607

## Infrastructure payments

None.

## Departmental Public Private Partnership (PPP) projects

The Provincial Treasury does not have any departmental Public Private Partnership (PPP) projects.

The Provincial Treasury's oversight responsibilities for PPPs within the Province are housed under Sub-programme: Public Finance (Element: Infrastructure).

## Transfers

### Transfers to public entities

**Table 5.3 Summary of departmental transfers to public entities**

Public entities R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
Western Cape Gambling and Racing Board	83	2 411	5 523	10 406	10 406	10 406	10 488	0.79	10 908	11 486
<b>Total departmental transfers to public entities</b>	83	2 411	5 523	10 406	10 406	10 406	10 488	0.79	10 908	11 486

The Western Cape Gambling and Racing Board (WCGRB) falls within the oversight responsibilities of the Provincial Treasury.

### Transfers to other entities

**Table 5.4 Summary of departmental transfers to other entities**

Entities R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
Other	2			3		3	3		3	3
Total departmental transfers to other entities	2			3		3	3		3	3

## Transfers to local government

**Table 5.5 Summary of departmental transfers to local government by category**

Departmental transfers R'000	Outcome						Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14	Main appro- piation 2014/15	Adjusted appro- piation 2014/15	Revised estimate 2014/15	% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
Category A					300	300		(100.00)		
Category B	3 300	6 150	11 939		12 735	12 735		(100.00)		
Category C	150	2 100	3 430		3 765	3 765		(100.00)		
Unallocated <sup>Note</sup>				6 000			24 831		29 558	49 258
<b>Total departmental transfers to local government</b>	3 450	8 250	15 369	6 000	16 800	16 800	24 831	47.80	29 558	49 258

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, especially to the most vulnerable municipalities. Over the MTEF, R24.831 million in 2015/16, R29.558 million in 2016/17 and R49.258 million in 2017/18 have been reserved for this purpose. The amounts are unallocated at this stage and will be split between Vote 14: Local Government and Vote 3: Provincial Treasury and shifted in the respective Adjusted Estimates that will be based on the outcomes and recommendations of both the MGRO, IDP and LG MTEC 3 processes.

## 6. Programme description

### Programme 1: Administration

**Purpose:** To give strategic direction and to provide quality financial and other support services to the Minister and the Head of Department.

#### Analysis per sub-programme

##### Sub-programme 1.1: Office of the Minister

to assist the member of the Provincial Cabinet with those functions as assigned by legislation and/or the Premier

##### Sub-programme 1.2: Management Services

to provide strategic and operational management support services

##### Sub-programme 1.3: Financial Management

to assist the Accounting Officer to drive financial management in the Department

#### Policy developments

No specific policy changes are currently being considered.

#### Changes: Policy, structure, service establishment, etc. Geographic distribution of services

None.

#### Strategic goal as per Strategic Plan

##### Programme 1: Administration

Efficient and effective departmental governance support services.

**Strategic objectives as per Annual Performance Plan****Sub-programme 1.1: Office of the Minister**

To provide ministerial support services.

**Sub-programme 1.2: Management Services**

To improve corporate management processes.

**Sub-programme 1.3: Financial Management**

To provide financial administrative services to the Department.

**Table 6.1 Summary of payments and estimates – Programme 1: Administration**

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14	Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
1. Office of the Minister	4 926	5 284	6 242	6 268	5 635	5 635	6 172	9.53	6 572	7 021
2. Management Services	7 766	9 918	11 832	13 406	13 149	13 149	17 226	31.01	18 466	19 882
3. Financial Management	18 446	20 260	22 706	25 212	26 159	26 159	28 660	9.56	29 896	35 357
<b>Total payments and estimates</b>	31 138	35 462	40 780	44 886	44 943	44 943	52 058	15.83	54 934	62 260

Note:

Sub-programme 1.1: MEC total remuneration package as at 23 February 2015: R1 652 224 with effect from 1 April 2013. The proclamation in terms of Gazette number 38470, determining the remuneration of Public Office Bearers with effect from 1 April 2014, is still under consideration.

Two sub-programmes, Corporate Services and Internal Audit, were shifted to the Department of the Premier as part of modernisation in 2010/11.

**Table 6.1.1 Summary of payments and estimates by economic classification – Programme 1: Administration**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	% Change from Revised estimate
				2015/16	2014/15	2016/17				2017/18
Current payments	27 279	30 910	34 594	39 069	38 764	38 764	44 786	15.54	47 264	53 589
Compensation of employees	18 356	19 576	23 170	26 308	25 147	25 147	29 717	18.17	31 912	34 625
Goods and services	8 894	11 334	11 424	12 761	13 617	13 617	15 069	10.66	15 352	18 964
Interest and rent on land	29									
Transfers and subsidies to	1 183	1 116	1 390	947	1 620	1 620	2 483	53.27	2 619	2 758
Departmental agencies and accounts	83		2		3	3	3		3	3
Non-profit institutions					100	100		( 100.00)		
Households	1 100	1 116	1 388	947	1 517	1 517	2 480	63.48	2 616	2 755
Payments for capital assets	2 633	3 404	4 359	4 870	4 530	4 530	4 789	5.72	5 051	5 913
Machinery and equipment	2 633	3 404	4 324	4 870	4 504	4 504	4 764	5.77	5 024	5 884
Software and other intangible assets			35		26	26	25	( 3.85)	27	29
Payments for financial assets	43	32	437		29	29		( 100.00)		
Total economic classification	31 138	35 462	40 780	44 886	44 943	44 943	52 058	15.83	54 934	62 260

**Details of transfers and subsidies**

Economic classification R'000	Outcome			Main appro- priation Adjusted appro- priation Revised estimate			Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
				2014/15	2014/15	2014/15	2015/16	2014/15	2016/17	2017/18
Transfers and subsidies to (Current)	1 183	1 116	1 390	947	1 620	1 620	2 483	53.27	2 619	2 758
Departmental agencies and accounts	83		2		3	3	3		3	3
Entities receiving transfers	83		2		3	3	3		3	3
Western Cape Gambling and Racing Board	83									
Other			2		3	3	3		3	3
Non-profit institutions					100	100		(100.00)		
Households	1 100	1 116	1 388	947	1 517	1 517	2 480	63.48	2 616	2 755
Social benefits	29	270	213		509	509		(100.00)		
Other transfers to households	1 071	846	1 175	947	1 008	1 008	2 480	146.03	2 616	2 755

## **Expenditure trends analysis**

The increase of R13.805 million from R31.138 million in 2011/12 to R44.943 million in 2014/15 (revised estimate), equates to an average nominal increase of 13 per cent per annum (three year period). The annual average nominal growth of 11.5 per cent from the revised estimate of R44.943 million in 2014/15 to R62.260 million in 2017/18 is due to mainly inflation adjustments, as well as the expansion of the bursary programme over the years. Provision has also been made for strengthening core corporate requirements towards meeting increasing demands bestowed on the Department. The transfers within the programme are for external bursars.

## **Programme 2: Sustainable Resource Management**

**Purpose:** To ensure the effective and efficient management of provincial and municipal financial resources.

### **Analysis per sub-programme**

#### **Sub-programme 2.1: Programme Support**

to provide management and administrative support to the programme

#### **Sub-programme 2.2: Fiscal Policy**

to research, analyse and advise on the management of provincial and municipal fiscal resources

#### **Sub-programme 2.3: Budget Management**

##### ***Provincial Government Budget Office***

to promote effective financial resource allocation and provide research, analysis and advice that informs the preparation of the provincial budget and monitor budget implementation

##### ***Local Government Budget Office***

to promote effective financial resource allocation and provide research, analysis and advice that inform the preparation of municipal budgets and monitor budget implementation

#### **Sub-programme 2.4: Public Finance**

##### ***Provincial Government Finance***

to compile a credible and sustainable main and adjustments budget, and to guide and monitor the efficient implementation thereof

##### ***Local Government Finance (Groups 1 and 2)***

to drive the implementation of the MFMA and assist and guide municipalities to prepare budgets and monitor the implementation thereof



**Infrastructure**

to promote the delivery and maintenance of physical infrastructure

**Business Information and Data Management**

to render a client interface, data collating, data and information management and records management service to the Provincial Treasury

**Policy developments**

Policy developments that will receive further attention in 2015/16 are:

Fiscal Policy research and analysis on provincial departments and municipalities to inform the fiscal policy framework and budget policy will continue.

Municipal investment and borrowing policies will be further developed.

**Changes: Policy, structure, service establishment, etc. Geographic distribution of services**

None.

**Strategic goals as per Strategic Plan****Programme 2: Sustainable Resource Management**

Effective, efficient and sustainable management of provincial and municipal fiscal resources.

**Strategic objectives as per Annual Performance Plan****Sub-programme 2.1: Programme Support**

To provide management and administrative support to the programme.

**Sub-programme 2.2: Fiscal Policy**

To conduct research and advise on management of provincial and municipal fiscal resources.

**Sub-programme 2.3: Budget Management****Provincial Government Budget Office**

To promote effective resource allocation within the provincial budget through research, analysis and advice.

**Local Government Budget Office**

To promote effective resource allocation within municipal budgets through research, analysis and advice.

**Sub-programme 2.4: Public Finance****Provincial Government Finance**

To improve the conformance, credibility, sustainability and guide and monitor the efficient implementation of the provincial budget.

**Local Government Finance (Groups 1 and 2)**

To guide and monitor the implementation of municipal budgets.

**Infrastructure**

To institutionalise and standardise good practice methodologies, tools and systems for physical infrastructure delivery and maintenance.

**Business Information and Data Management**

To render an effective data information management service.

**Table 6.2 Summary of payments and estimates – Programme 2: Sustainable Resource Management**

Sub-programme R'000	Outcome			Main appro- priation Adjusted appro- priation Revised estimate			Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
				2014/15	2014/15	2014/15	2015/16	2014/15	2016/17	2017/18
1. Programme Support	3 848	5 897	5 080	6 395	5 539	5 539	6 339	14.44	6 773	7 241
2. Fiscal Policy	6 693	11 117	13 832	21 366	20 330	20 330	22 141	8.91	23 358	26 486
Fiscal Policy	6 693	8 706	8 309	10 960	9 924	9 924	11 653	26.65	12 450	15 000
Western Cape Gambling and Racing Board		2 411	5 523	10 406	10 406	10 406	10 488	0.79	10 908	11 486
3. Budget Management	16 784	14 304	13 614	18 093	16 230	16 230	19 578	20.63	21 363	24 463
Provincial Government Budget Office	10 845	7 766	6 627	9 269	8 362	8 362	9 592	14.71	10 715	12 624
Local Government Budget Office	5 939	6 538	6 987	8 824	7 868	7 868	9 986	26.92	10 648	11 839
4. Public Finance	34 006	39 580	53 656	45 079	57 189	57 189	68 360	19.53	76 261	99 634
Provincial Government Finance	11 310	6 778	7 241	8 501	9 183	9 183	8 794	(4.24)	9 420	10 527
Local Government Finance Group 1	8 408	8 839	11 962	7 745	7 736	7 736	10 049	29.90	10 742	11 456
Local Government Finance Group 2	8 522	13 701	21 696	12 860	24 043	24 043	31 918	32.75	37 120	57 361
Infrastructure	5 766	5 161	6 137	7 675	6 618	6 618	7 715	16.58	8 199	8 783
Business Information and Data Management		5 101	6 620	8 298	9 609	9 609	9 884	2.86	10 780	11 507
5. Transversal Projects				429 385						
Total payments and estimates	61 331	70 898	86 182	520 318	99 288	99 288	116 418	17.25	127 755	157 824

Note:

Sub-programme 2.4: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, especially to the most vulnerable municipalities. Over the MTEF, R24.831 million in 2015/16, R29.558 million in 2016/17 and R49.258 million in 2017/18 have been reserved for this purpose. The amounts are unallocated at this stage and will be split between Vote 14: Local Government and Vote 3: Provincial Treasury and shifted in the respective Adjusted Estimates that will be based on the outcomes and recommendations of both the MGRO, IDP and LG MTEC 3 processes. (Also see Table 6.2.1 on the next page)

Sub-programme 2.5: In the 2014 Adjusted Estimates and over the 2015/16 MTEF Transversal Projects were re-allocated to implementing votes, in order to facilitate accountability and good governance.

**Table 6.2.1 Summary of payments and estimates by economic classification – Programme 2: Sustainable Resource Management**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	% Change from Revised estimate
				2015/16	2014/15	2016/17				2017/18
Current payments	57 874	60 228	65 222	74 527	72 049	72 049	81 099	12.56	87 289	97 080
Compensation of employees	39 715	45 953	51 322	62 880	58 633	58 633	63 433	8.19	68 649	73 929
Goods and services	18 159	14 275	13 900	11 647	13 416	13 416	17 666	31.68	18 640	23 151
Transfers and subsidies to	3 457	10 670	20 960	445 791	27 239	27 239	35 319	29.66	40 466	60 744
Provinces and municipalities	3 450	8 250	15 369	435 385	16 800	16 800	24 831	47.80	29 558	49 258
Departmental agencies and accounts		2 411	5 523	10 406	10 406	10 406	10 488	0.79	10 908	11 486
Households	7	9	68		33	33		( 100.00)		
Total economic classification	61 331	70 898	86 182	520 318	99 288	99 288	116 418	17.25	127 755	157 824

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
				Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	2015/16	2014/15	2016/17	2017/18
Transfers and subsidies to (Current)	3 457	10 670	20 960	445 791	27 239	27 239	35 319	29.66	40 466	60 744
Provinces and municipalities	3 450	8 250	15 369	435 385	16 800	16 800	24 831	47.80	29 558	49 258
Provinces				429 385						
Provincial agencies and funds				429 385						
Municipalities	3 450	8 250	15 369	6 000	16 800	16 800	24 831	47.80	29 558	49 258
Municipal bank accounts	3 450	8 250	15 369	6 000	16 800	16 800	24 831	47.80	29 558	49 258
Departmental agencies and accounts		2 411	5 523	10 406	10 406	10 406	10 488	0.79	10 908	11 486
Entities receiving transfers		2 411	5 523	10 406	10 406	10 406	10 488	0.79	10 908	11 486
Western Cape Gambling and Racing Board		2 411	5 523	10 406	10 406	10 406	10 488	0.79	10 908	11 486
Households	7	9	68		33	33		(100.00)		
Social benefits		9	68		33	33		(100.00)		
Other transfers to households	7									

**Expenditure trends analysis**

The programme has increased from R61.331 million in 2011/12 to R99.288 million in the 2014/15 (revised estimate), which equates to an average nominal growth of 17.4 per cent per annum. The growth relates to the increasing implementation requirements of the Municipal Financial Management Act (MFMA) and associated provisioning of resources to enhance fiscal prudence. The allocation over the 2015 MTEF period will further increase from R99.288 million in 2014/15 revised estimate to R116.418 million in 2015/16 as a result of the priority funding allocations of R24.831 million that are ring-fenced under the element 2.4.3: Local Government Finance for municipal financial management improvement support grants. The growth from 2014/15 (revised estimate) of R99.288 million to R157.824 million in 2017/18 reflects an annual average growth of 16.7 per cent over the three year period.

## **Programme 3: Asset Management**

**Purpose:** To provide policy direction and to facilitate and enforce the management of provincial financial systems, supply chain and movable asset management within the provincial and municipal spheres.

### **Analysis per sub-programme**

#### **Sub-programme 3.1: Programme Support**

to provide management and administrative support to the programme

#### **Sub-programme 3.2: Supply Chain Management**

##### **Supply Chain Management: Provincial Government**

to provide policy direction and facilitating the management of supply chain and asset management practices

##### **Supply Chain Management: Local Government**

to provide policy guidance and facilitating the management of supply chain and asset management practices

#### **Sub-programme 3.3: Supporting and Interlinked Financial Systems**

provide for the implementation, management and oversight of provincially operated financial systems and transition to new or replacement systems

### **Policy developments**

Policy developments that will receive further attention 2015/16 are:

Improve procurement policy planning to support departments and municipalities to promote budget planning, efficiency in spending, strategic sourcing and provide structured support programmes to improve supply chain management governance.

Support National Treasury to optimise the current suite of financial systems, whilst at the same time assisting with the design and the ultimate roll-out of the integrated and revamped IFMS.

### **Changes: Policy, structure, service establishment, etc. Geographic distribution of services**

None.

### **Strategic goals as per Strategic Plan**

#### **Programme 3: Asset Management**

Financial system, supply chain and moveable asset governance within the provincial and municipal spheres.

## Strategic objectives as per Annual Performance Plan

### Sub-programme 3.1: Programme Support

To provide management and administrative support to the programme.

### Sub-programme 3.2: Supply Chain Management

#### **Supply Chain Management: Provincial Government**

To provide policy direction and facilitating the management of supply chain and asset management practices in departments.

#### **Supply Chain Management: Local Government**

To provide policy guidance and facilitating the management of supply chain and asset management practices in municipalities.

### Sub-programme 3.3: Supporting and Interlinked Financial Systems

To provide for the implementation, management and oversight of provincially operated financial systems and the transition to the IFMS.

**Table 6.3 Summary of payments and estimates – Programme 3: Asset Management**

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14	Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
1. Programme Support	1 054	1 861	3 408	4 113	3 897	3 897	4 174	7.11	4 481	4 862
2. Supply Chain Management	9 614	10 033	14 815	19 367	22 207	22 207	22 677	2.12	21 293	24 100
Supply Chain Management: Provincial Government	9 614	6 781	10 020	12 674	15 560	15 560	16 129	3.66	13 841	14 922
Supply Chain Management: Local Government		3 252	4 795	6 693	6 647	6 647	6 548	(1.49)	7 452	9 178
3. Supporting and Interlinked Financial Systems	20 038	22 040	29 297	30 443	32 328	32 328	33 227	2.78	35 169	38 597
<b>Total payments and estimates</b>	<b>30 706</b>	<b>33 934</b>	<b>47 520</b>	<b>53 923</b>	<b>58 432</b>	<b>58 432</b>	<b>60 078</b>	<b>2.82</b>	<b>60 943</b>	<b>67 559</b>

Note: Liabilities Management was shifted from Programme 3: Asset Management to Fiscal Policy under Programme 2: Sustainable Resource Management during 2011/12.

**Table 6.3.1 Summary of payments and estimates by economic classification – Programme 3: Asset Management**

Economic classification R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
Current payments	30 706	33 930	47 496	53 923	58 386	58 386	59 955	2.69	60 943	67 559
Compensation of employees	19 815	22 456	28 058	31 411	30 282	30 282	32 725	8.07	35 508	39 295
Goods and services	10 891	11 474	19 438	22 512	28 104	28 104	27 230	( 3.11)	25 435	28 264
Transfers and subsidies to		4	24		46	46	123	167.39		
Households		4	24		46	46	123	167.39		
Total economic classification	30 706	33 934	47 520	53 923	58 432	58 432	60 078	2.82	60 943	67 559

**Details of transfers and subsidies**

Economic classification R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate		
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate		
							2015/16	2014/15	2016/17
Transfers and subsidies to (Current)		4	24		46	46	123	167.39	
Households		4	24		46	46	123	167.39	
Social benefits			24		46	46	123	167.39	
Other transfers to households		4							

**Expenditure trends analysis**

The programme has increased by R27.726 million from R30.706 million in 2011/12 to R58.432 million (revised estimate) in 2014/15, with an average nominal growth of 23.9 per cent per annum. This is due to the increased involvement and guidance over supply chain management and financial systems management. Over the MTEF period the allocation will moderately increase by an average nominal growth of 5 per cent per annum from R58.432 million (revised estimate) in 2014/15 to R67.559 million in 2017/18. This is mainly due to the roll out and implementation of new financial systems, as well as the strengthening of the supply chain management in municipalities. Furthermore, strategic sourcing/procurement strategies will be developed for certain commodities to enhance Supply Chain Management (SCM) efficiencies.

**Programme 4: Financial Governance**

**Purpose:** To promote accountability and financial governance within departments, entities and municipalities.

**Analysis per sub-programme****Sub-programme 4.1: Programme Support**

to provide management and administrative support to the programme

**Sub-programme 4.2: Accounting Services****Local Government Accounting**

to improve the application of accounting standards and financial reporting within municipalities

**Provincial Government Accounting and Compliance**

to drive financial governance reforms, the implementation of accounting practices and prepare consolidated financial statements

**Sub-programme 4.3: Corporate Governance**

to strengthen corporate governance within the Province through the implementation of risk management, internal audit and compliance with financial norms and standards

**Policy developments**

Policy developments that will receive further attention in 2015/16 are:

Roll-out a structured training programme and E-GAP to improve both governance and the application of the accounting framework.

Coordinating the Municipal Governance Review and Outlook (MGRO) and progressively driving the criteria across various disciplines to achieve higher levels of governance.

**Changes: Policy, structure, service establishment, etc. Geographic distribution of service**

None.

**Strategic goals as per Strategic Plan****Programme 4: Financial Governance**

Accountability through the review of financial reporting of departments, entities and municipalities and compliance with financial norms and standards.

**Strategic objectives as per Annual Performance Plan****Sub-programme 4.1: Programme Support**

To provide management and administrative support to the programme.

**Sub-programme 4.2: Accounting Services****Local Government Accounting**

To improve the understanding and application of accounting standards and financial reporting within municipalities.

**Provincial Government Accounting and Compliance**

To improve the application of accounting practices in line with the reporting framework, prepare provincial consolidated financial statements and gradually drive financial governance reform.

**Sub-programme 4.3: Corporate Governance**

To develop, monitor and advise on norms and standards of corporate governance within municipalities.

**Table 6.4 Summary of payments and estimates – Programme 4: Financial Governance**

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
				Main appro- priation	Adjusted appro- priation	Revised estimate	2015/16	2014/15	2016/17	2017/18
				2014/15	2014/15	2014/15				
1. Programme Support	1 437	1 821	1 982	2 339	3 205	3 205				
2. Accounting Services	9 775	10 558	13 419	16 646	20 937	20 937	18 044	(13.82)	19 510	21 322
Provincial Government Accounting and Compliance	5 370	5 418	6 505	8 297	13 140	13 140	9 699	(26.19)	10 309	11 467
Local Government Accounting	4 405	5 140	6 914	8 349	7 797	7 797	8 345	7.03	9 201	9 855
3. Corporate Governance	8 232	9 610	10 084	10 186	12 363	12 363	11 964	(3.23)	11 863	12 696
Total payments and estimates	19 444	21 989	25 485	29 171	36 505	36 505	33 475	(8.30)	35 101	37 964

Note: Provincial Internal Audit was shifted to the Department of the Premier as part of the modernisation process in 2010/11.

**Table 6.4.1 Summary of payments and estimates by economic classification – Programme 4: Financial Governance**

Economic classification R'000	Outcome			Main appro- priation	Adjusted appro- priation	Revised estimate	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
Current payments	19 444	21 984	25 470	29 171	36 482	36 482	33 475	( 8.24)	35 101	37 964
Compensation of employees	17 087	19 197	22 749	25 622	25 589	25 589	26 803	4.74	29 018	31 061
Goods and services	2 357	2 787	2 721	3 549	10 893	10 893	6 672	( 38.75)	6 083	6 903
Transfers and subsidies to		5	15		23	23		( 100.00)		
Households		5	15		23	23		( 100.00)		
Total economic classification	19 444	21 989	25 485	29 171	36 505	36 505	33 475	( 8.30)	35 101	37 964

**Details of transfers and subsidies**

Economic classification R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
Transfers and subsidies to (Current)		5	15		23	23	(100.00)			
Households		5	15		23	23	(100.00)		( 100 )	
Social benefits		5	15		23	23	(100.00)		( 100 )	



## Expenditure trends analysis

The increase of R17.061 million from R19.444 million in 2011/12 to R36.505 million in 2014/15 (revised estimate) was mainly due to earmarked funds for the improvement of transversal internal control services and posts that were created during the reconfiguration process within the Accounting Services and Corporate Governance sub-programmes. This represented an annual average increase of 14.5 per cent over the three year period. Over the MTEF period the allocation will increase by an average nominal growth of 1.3 per cent per annum from R36.505 million (revised estimate) in 2014/15 to R37.964 million in 2017/18.

## 7. Other programme information

### Personnel numbers and costs

**Table 7.1 Personnel numbers and costs**

Programme R'000	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	49	58	65	91	86	86	87
2. Sustainable Resource Management	87	107	130	132	127	128	129
3. Asset Management	52	59	70	67	72	72	72
4. Financial Governance	41	49	57	57	54	54	54
<b>Total personnel numbers</b>	<b>229</b>	<b>273</b>	<b>322</b>	<b>347</b>	<b>339</b>	<b>340</b>	<b>342</b>
Total personnel cost (R'000)	94 973	107 182	125 299	139 651	152 678	165 087	178 910
Unit cost (R'000)	415	393	389	402	450	486	523

**Table 7.2 Departmental personnel numbers and costs**

Description	Outcome						Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2011/12	2012/13	2013/14	Main appropriation 2014/15	Adjusted appropriation 2014/15	Revised estimate 2014/15	2015/16	2014/15	2016/17	2017/18
Total for department										
Personnel numbers (head count)	229	273	322	340	347	347	339	(2.31)	340	342
Personnel cost (R'000)	94 973	107 182	125 299	146 221	139 651	139 651	152 678	9.33	165 087	178 910
of which										
Human resources component										
Personnel numbers (head count)										
Personnel cost (R'000)										
Head count as % of total for department										
Personnel cost as % of total for department										
Finance component										
Personnel numbers (head count)	42	29	31	33	36	36	36		36	37
Personnel cost (R'000)	9 476	8 143	9 140	10 896	10 830	10 830	12 520	15.60	13 428	14 798
Head count as % of total for department	18.34	10.62	9.63	9.71	10.37	10.37	10.62		10.59	10.82
Personnel cost as % of total for department	9.98	7.60	7.29	7.45	7.76	7.76	8.20		8.13	8.27
Full time workers										
Personnel numbers (head count)	226	270	282	310	291	291	296	1.72	297	299
Personnel cost (R'000)	94 382	106 817	120 528	141 227	132 725	132 725	143 573	8.17	155 481	168 795
Head count as % of total for department	98.69	98.90	87.58	91.18	83.86	83.86	87.32		87.35	87.43
Personnel cost as % of total for department	99.38	99.66	96.19	96.58	95.04	95.04	94.04		94.18	94.35
Part-time workers										
Personnel numbers (head count)										
Personnel cost (R'000)										
Head count as % of total for department										
Personnel cost as % of total for department										
Contract workers										
Personnel numbers (head count)	3	3	40	30	56	56	43	(23.21)	43	43
Personnel cost (R'000)	591	365	4 771	4 994	6 926	6 926	9 105	31.46	9 606	10 115
Head count as % of total for department	1.31	1.10	12.42	8.82	16.14	16.14	12.68		12.65	12.57
Personnel cost as % of total for department	0.62	0.34	3.81	3.42	4.96	4.96	5.96		5.82	5.65

## Training

**Table 7.3 Payments on training**

Programme R'000	Outcome						Medium-term estimate			
							% Change from Revised estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14	Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	2015/16	2014/15	2016/17	2017/18
1. Administration	1 063	361	390	886	552	552	966	75.00	1 025	1 108
<i>of which</i>										
Payments on tuition	306	348	286	632	298	298	669	124.50	706	762
Other	757	13	104	254	254	254	297	16.93	319	346
2. Sustainable Resource Management	1 115	284	396	565	565	565	634	12.21	686	739
<i>of which</i>										
Payments on tuition	471									
Other	644	284	396	565	565	565	634	12.21	686	739
3. Asset Management	420	17	175	311	311	311	327	5.14	355	393
<i>of which</i>										
Payments on tuition	420									
Other		17	175	311	311	311	327	5.14	355	393
4. Financial Governance	673	178	295	233	233	233	268	15.02	290	311
<i>of which</i>										
Payments on tuition	416									
Other	257	178	295	233	233	233	268	15.02	290	311
<b>Total payments on training</b>	<b>3 271</b>	<b>840</b>	<b>1 256</b>	<b>1 995</b>	<b>1 661</b>	<b>1 661</b>	<b>2 195</b>	<b>32.15</b>	<b>2 356</b>	<b>2 551</b>

**Table 7.4 Information on training**

Description	Outcome						Medium-term estimate			
							% Change from Revised estimate			
	2011/12	2012/13	2013/14	Main appropriation 2014/15	Adjusted appropriation 2014/15	Revised estimate 2014/15	2015/16	2014/15	2016/17	2017/18
Number of staff	229	273	322	340	347	347	339	(2.31)	340	342
Number of personnel trained	200	200	200	277	277	277	287	3.61	297	312
<i>of which</i>										
Male	100	100	100	128	128	128	133	3.91	136	141
Female	100	100	100	149	149	149	154	3.36	161	171
Number of training opportunities	266	266	266	529	529	529	544	2.84	558	580
<i>of which</i>										
Tertiary	69	69	69	49	49	49	51	4.08	52	53
Workshops	45	45	45	273	273	273	280	2.56	287	298
Seminars	22	22	22	13	13	13	14	7.69	15	16
Other	130	130	130	194	194	194	199	2.58	204	213
Number of bursaries offered	26	26	26	24	24	24	26	8.33	28	29
Number of interns appointed	18	18	18	16	16	16	16		16	17
Number of days spent on training	120	120	120	120	120	600	715	19.17	740	780

## Reconciliation of structural changes

None.

## Annexure A to Vote 3

Table A.1 Specification of receipts

Receipts R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
<b>Tax receipts</b> (Casino and LGM taxes)	350 603	382 663	441 130	319 335	319 335	319 335	<b>423 594</b>	32.65	432 267	437 517
Casino and LGM taxes	321 750	350 384	408 661	299 335	299 335	299 335	<b>403 594</b>	34.83	412 267	417 517
Horse racing taxes	28 853	32 279	32 469	20 000	20 000	20 000	<b>20 000</b>		20 000	20 000
<b>Sales of goods and services other than capital assets</b>	2 163	2 527	2 646	1 214	1 214	1 214	<b>1 214</b>		1 214	1 214
Sales of goods and services produced by department (excluding capital assets)	2 163	2 527	2 646	1 213	1 213	1 213	<b>1 213</b>		1 213	1 213
Administrative fees	2 163	2 485	2 646	1 201	1 201	1 201	<b>1 201</b>		1 201	1 201
Other	2 163	2 485	2 646	1 201	1 201	1 201	<b>1 201</b>		1 201	1 201
Other sales		42		12	12	12	<b>12</b>		12	12
Other		42		12	12	12	<b>12</b>		12	12
Sales of scrap, waste, arms and other used current goods (excluding capital assets)				1	1	1	<b>1</b>		1	1
<b>Transfers received from</b>				1	1	1	<b>1</b>		1	1
Households and non-profit institutions				1	1	1	<b>1</b>		1	1
<b>Fines, penalties and forfeits</b>	313	935	693							
<b>Interest, dividends and rent on land</b>		2	8				<b>50 000</b>		52 500	55 125
Interest		2	8				<b>50 000</b>		52 500	55 125
<b>Financial transactions in assets and liabilities</b>	4 107	2 846	8 038	47	47	47	<b>47</b>		47	47
Recovery of previous year's expenditure		397	230							
Unallocated credits		14								
Cash surpluses		2 410	7 479							
Other	4 107	25	329	47	47	47	<b>47</b>		47	47
<b>Total departmental receipts</b>	357 186	388 973	452 515	320 597	320 597	320 597	<b>474 856</b>	48.12	486 029	493 904

## Annexure A to Vote 3

Table A.2 Summary of payments and estimates by economic classification

Economic classification R'000	Outcome			Main appro- piation 2014/15	Adjusted appro- piation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
Current payments	135 303	147 052	172 782	196 690	205 681	205 681	219 315	6.63	230 597	256 192
Compensation of employees	94 973	107 182	125 299	146 221	139 651	139 651	152 678	9.33	165 087	178 910
Salaries and wages	82 885	93 886	110 382	128 815	123 454	123 454	135 025	9.37	145 969	158 120
Social contributions	12 088	13 296	14 917	17 406	16 197	16 197	17 653	8.99	19 118	20 790
Goods and services	40 301	39 870	47 483	50 469	66 030	66 030	66 637	0.92	65 510	77 282
of which										
Administrative fees	90	100	153	100	204	204	212	3.92	223	241
Advertising	2 162	246	914	485	466	466	584	25.32	614	655
Minor assets	367	146	177	352	332	332	339	2.11	358	411
Audit cost: External	8 171	4 385	5 122	4 632	5 682	5 682	5 792	1.94	6 110	8 739
Bursaries: Employees	337	348	286	632	298	298	669	124.50	706	762
Catering: Departmental activities	322	440	521	230	355	355	394	10.99	413	437
Communication	861	1 010	974	1 170	1 253	1 252	1 630	30.19	1 665	1 929
Computer services	4 290	4 410	6 135	4 239	4 976	4 976	6 550	31.63	6 898	9 496
Cons/prof: Business and advisory services	12 583	14 521	21 455	25 474	37 666	37 666	33 233	(11.77)	30 543	34 960
Cons/prof: Legal costs	5	27	70							
Contractors	456	539	671	550	530	530	552	4.15	754	781
Agency and support/outsourced services	52	164	159	100	122	122	201	64.75	133	143
Entertainment	109	137	123	190	206	206	204	(0.97)	204	204
Fleet services (including government motor transport)				1 151	1 249	1 249	1 318	5.52	1 391	1 765
Inventory: Food and food supplies	90	66	74	109						
Inventory: Learner and teacher support material		2								
Inventory: Materials and supplies		6	8							
Inventory: Other supplies	43	37								
Consumable supplies			40	48	318	318	320	0.63	334	349
Consumable: Stationery, printing & office supplies	2 412	2 453	3 229	3 462	3 289	3 288	3 612	9.85	3 865	4 230
Operating leases			332	337	237	237	326	37.55	326	326
Property payments	259	501	4	251			500		70	74
Transport provided: Departmental activity	44	3	5		4	4		(100.00)		
Travel and subsistence	4 342	4 828	4 562	4 418	5 594	5 595	6 486	15.92	6 943	7 361
Training and development	661	492	970	1 363	1 363	1 363	1 526	11.96	1 650	1 789
Operating payments	1 909	4 074	415	548	495	495	606	22.42	641	738
Venues and facilities	736	935	1 084	628	1 391	1 392	1 583	13.72	1 669	1 892
Interest and rent on land	29									
Interest	29									
Transfers and subsidies to	4 640	11 795	22 389	446 738	28 928	28 928	37 925	31.10	43 085	63 502
Provinces and municipalities	3 450	8 250	15 369	435 385	16 800	16 800	24 831	47.80	29 558	49 258
Provinces				429 385						
Provincial agencies and funds				429 385						
Municipalities	3 450	8 250	15 369	6 000	16 800	16 800	24 831	47.80	29 558	49 258
Municipal bank accounts	3 450	8 250	15 369	6 000	16 800	16 800	24 831	47.80	29 558	49 258
Departmental agencies and accounts	83	2 411	5 525	10 406	10 409	10 409	10 491	0.79	10 911	11 489
Entities receiving transfers	83	2 411	5 525	10 406	10 409	10 409	10 491	0.79	10 911	11 489
Western Cape Gambling and Racing Board	83	2 411	5 523	10 406	10 406	10 406	10 488	0.79	10 908	11 486
Other			2		3	3	3		3	3
Non-profit institutions					100	100		(100.00)		
Households	1 107	1 134	1 495	947	1 619	1 619	2 603	60.78	2 616	2 755
Social benefits	29	284	320		611	611	123	(79.87)		
Other transfers to households	1 078	850	1 175	947	1 008	1 008	2 480	146.03	2 616	2 755
Payments for capital assets	2 633	3 404	4 359	4 870	4 530	4 530	4 789	5.72	5 051	5 913
Machinery and equipment	2 633	3 404	4 324	4 870	4 504	4 504	4 764	5.77	5 024	5 884
Transport equipment			1 043	1 196	1 446	1 446	1 527	5.60	1 611	2 197
Other machinery and equipment	2 633	3 404	3 281	3 674	3 058	3 058	3 237	5.85	3 413	3 687
Software and other intangible assets			35		26	26	25	(3.85)	27	27
Payments for financial assets	43	32	437		29	29		(100.00)		
Total economic classification	142 619	162 283	199 967	648 298	239 168	239 168	262 029	9.56	278 733	325 607

Note: The economic classifications as taken up in this Budget are in accordance with **Version 4 of the Standard Chart of Accounts (SCOA)**, which became fully effective from 1 April 2014.

## Annexure A to Vote 3

Table A.2.1 Payments and estimates by economic classification – Programme 1: Administration

Economic classification R'000	Outcome			Main appro- priation	Adjusted appro- priation	Revised estimate	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
Current payments	27 279	30 910	34 594	39 069	38 764	38 764	44 786	15.54	47 264	53 589
Compensation of employees	18 356	19 576	23 170	26 308	25 147	25 147	29 717	18.17	31 912	34 625
Salaries and wages	16 036	17 284	20 512	23 226	22 294	22 294	26 503	18.88	28 458	30 866
Social contributions	2 320	2 292	2 658	3 082	2 853	2 853	3 214	12.65	3 454	3 759
Goods and services	8 894	11 334	11 424	12 761	13 617	13 617	15 069	10.66	15 352	18 964
of which										
Administrative fees	80	98	119	100	200	200	212	6.00	223	241
Advertising	233	113	784	324	255	255	358	40.39	362	388
Minor assets	367	146	177	352	332	332	339	2.11	358	411
Audit cost: External	2 168	2 796	3 523	3 631	3 631	3 631	3 842	5.81	4 053	5 268
Bursaries: Employees	84	348	286	632	298	298	669	124.50	706	762
Catering: Departmental activities	60	127	78	80	130	130	130		133	137
Communication	800	939	792	276	289	289	310	7.27	338	398
Computer services	668	905	850	800	1 136	1 136	1 687	48.50	1 767	3 065
Cons/prof: Business and advisory services	1 046	1 624	1 320	2 375	2 783	2 783	1 811	(34.93)	1 644	1 731
Cons/prof: Legal costs		27								
Contractors	328	446	425	291	271	271	293	8.12	495	522
Agency and support/ outsourced services	38	4	46							
Entertainment	27	68	23	28	42	42	44	4.76	44	44
Fleet services (including government motor transport)				1 151	1 249	1 249	1 318	5.52	1 391	1 765
Inventory: Food and food supplies	22	13	12	31						
Inventory: Learner and teacher support material		1								
Inventory: Materials and supplies		6	8							
Inventory: Other supplies	44	37								
Consumable supplies			40	32	142	142	156	9.86	162	171
Consumable: Stationery, printing & office supplies	957	876	837	854	733	733	688	(6.14)	784	925
Operating leases			332	337	237	237	326	37.55	326	326
Property payments	259	501	4	251			500		70	74
Transport provided: Departmental activity	44		2		4	4		(100.00)		
Travel and subsistence	1 159	1 301	1 547	811	1 388	1 388	1 695	22.12	1 760	1 850
Training and development	54	13	104	254	254	254	297	16.93	319	346
Operating payments	383	884	89	77	169	169	216	27.81	229	297
Venues and facilities	73	61	26	74	74	74	178	140.54	188	243
Interest and rent on land	29									
Interest	29									
Transfers and subsidies to	1 183	1 116	1 390	947	1 620	1 620	2 483	53.27	2 619	2 758
Departmental agencies and accounts	83		2		3	3	3		3	3
Entities receiving transfers	83		2		3	3	3		3	3
Western Cape Gambling and Racing Board	83									
Other			2		3	3	3		3	3
Non-profit institutions					100	100		(100.00)		
Households	1 100	1 116	1 388	947	1 517	1 517	2 480	63.48	2 616	2 755
Social benefits	29	270	213		509	509		(100.00)		
Other transfers to households	1 071	846	1 175	947	1 008	1 008	2 480	146.03	2 616	2 755
Payments for capital assets	2 633	3 404	4 359	4 870	4 530	4 530	4 789	5.72	5 051	5 913
Machinery and equipment	2 633	3 404	4 324	4 870	4 504	4 504	4 764	5.77	5 024	5 884
Transport equipment			1 043	1 196	1 446	1 446	1 527	5.60	1 611	2 197
Other machinery and equipment	2 633	3 404	3 281	3 674	3 058	3 058	3 237	5.85	3 413	3 687
Software and other intangible assets			35		26	26	25	(3.85)	27	29
Payments for financial assets	43	32	437		29	29		(100.00)		
Total economic classification	31 138	35 462	40 780	44 886	44 943	44 943	52 058	15.83	54 934	62 260

## Annexure A to Vote 3

Table A.2.2 Payments and estimates by economic classification – Programme 2: Sustainable Resource Management

Economic classification R'000	Outcome			Main appro- piation	Adjusted appro- piation	Revised estimate	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
Current payments	57 874	60 228	65 222	74 527	72 049	72 049	81 099	12.56	87 289	97 080
Compensation of employees	39 715	45 953	51 322	62 880	58 633	58 633	63 433	8.19	68 649	73 929
Salaries and wages	34 901	40 395	45 294	55 617	52 070	52 070	56 279	8.08	60 886	65 551
Social contributions	4 814	5 558	6 028	7 263	6 563	6 563	7 154	9.01	7 763	8 378
Goods and services	18 159	14 275	13 900	11 647	13 416	13 416	17 666	31.68	18 640	23 151
of which										
Administrative fees		2	17		4	4		(100.00)		
Advertising	1 557	92	92	114	164	164	176	7.32	186	197
Audit cost: External	5 290	1 064	790	474	1 224	1 224	950	(22.39)	1 002	1 924
Bursaries: Employees	124									
Catering: Departmental activities	132	205	300	75	125	125	132	5.60	140	150
Communication	36	43	122	493	508	508	697	37.20	692	806
Computer services		317	260	265	259	259	274	5.79	290	313
Cons/prof: Business and advisory services	6 432	7 338	7 845	4 950	5 529	5 529	9 174	65.93	9 681	12 669
Contractors	76	37	198	130	130	130	130		130	130
Agency and support/ outsourced services		160	113	100	122	122	161	31.97	133	143
Entertainment	51	43	63	108	108	108	108		108	108
Inventory: Food and food supplies	38	30	32	39						
Inventory: Learner and teacher support material		1								
Inventory: Other supplies	( 1 )									
Consumable supplies				16	89	89	84	(5.62)	88	91
Consumable: Stationery, printing & office supplies	1 159	1 224	1 911	2 054	1 971	1 971	2 279	15.63	2 403	2 577
Transport provided: Departmental activity		3	3							
Travel and subsistence	1 988	1 858	1 364	1 781	2 045	2 045	2 259	10.46	2 461	2 614
Training and development	215	284	396	565	565	565	634	12.21	686	739
Operating payments	892	1 316	257	387	232	232	245	5.60	259	279
Venues and facilities	170	258	137	96	341	341	363	6.45	381	411
Transfers and subsidies to	3 457	10 670	20 960	445 791	27 239	27 239	35 319	29.66	40 466	60 744
Provinces and municipalities	3 450	8 250	15 369	435 385	16 800	16 800	24 831	47.80	29 558	49 258
Provinces				429 385						
Provincial agencies and funds				429 385						
Municipalities	3 450	8 250	15 369	6 000	16 800	16 800	24 831	47.80	29 558	49 258
Municipal bank accounts	3 450	8 250	15 369	6 000	16 800	16 800	24 831	47.80	29 558	49 258
Departmental agencies and accounts		2 411	5 523	10 406	10 406	10 406	10 488	0.79	10 908	11 486
Entities receiving transfers		2 411	5 523	10 406	10 406	10 406	10 488	0.79	10 908	11 486
Western Cape Gambling and Racing Board		2 411	5 523	10 406	10 406	10 406	10 488	0.79	10 908	11 486
Households	7	9	68		33	33		(100.00)		
Social benefits		9	68		33	33		(100.00)		
Other transfers to households	7									
Total economic classification	61 331	70 898	86 182	520 318	99 288	99 288	116 418	17.25	127 755	157 824

## Annexure A to Vote 3

Table A.2.3 Payments and estimates by economic classification – Programme 3: Asset Management

Economic classification R'000	Outcome			Main appro- priation	Adjusted appro- priation	Revised estimate	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
Current payments	30 706	33 930	47 496	53 923	58 386	58 386	59 955	2.69	60 943	67 559
Compensation of employees	19 815	22 456	28 058	31 411	30 282	30 282	32 725	8.07	35 508	39 295
Salaries and wages	17 015	19 434	24 585	27 421	26 563	26 563	28 731	8.16	31 171	34 467
Social contributions	2 800	3 022	3 473	3 990	3 719	3 719	3 994	7.39	4 337	4 828
Goods and services	10 891	11 474	19 438	22 512	28 104	28 104	27 230	(3.11)	25 435	28 264
of which										
Administrative fees			6							
Advertising	372	41	38	47	47	47	50	6.38	66	70
Bursaries: Employees	47									
Catering: Departmental activities	40	59	65	75	100	100	66	(34.00)	70	75
Communication	7	( 1 )	20	230	274	273	375	37.36	383	438
Computer services	3 600	3 069	5 025	3 174	3 529	3 529	4 589	30.04	4 841	6 118
Cons/prof: Business and advisory services	4 999	5 395	12 140	16 849	21 249	21 249	18 889	(11.11)	16 619	17 811
Cons/prof: Legal costs	5		70							
Contractors	29	36	19	77	77	77	77		77	77
Agency and support/outsourced services	14						20			
Entertainment	5	8	16	26	26	26	26		26	26
Inventory: Food and food supplies	21	13	17	26						
Consumable supplies					39	39	39		41	42
Consumable: Stationery, printing & office supplies	187	175	315	288	367	366	402	9.84	421	452
Travel and subsistence	613	907	725	1 064	1 213	1 214	1 448	19.28	1 563	1 661
Training and development	174	17	175	311	311	311	327	5.14	355	393
Operating payments	319	1 224	9	10	10	10	11	10.00	12	13
Venues and facilities	459	531	798	335	862	863	911	5.56	961	1 088
Transfers and subsidies to		4	24		46	46	123	167.39		
Households		4	24		46	46	123	167.39		
Social benefits			24		46	46	123	167.39		
Other transfers to households		4								
Total economic classification	30 706	33 934	47 520	53 923	58 432	58 432	60 078	2.82	60 943	67 559



## Annexure A to Vote 3

Table A.2.4 Payments and estimates by economic classification – Programme 4: Financial Governance

Economic classification R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
Current payments	19 444	21 984	25 470	29 171	36 482	36 482	33 475	(8.24)	35 101	37 964
Compensation of employees	17 087	19 197	22 749	25 622	25 589	25 589	26 803	4.74	29 018	31 061
Salaries and wages	14 933	16 773	19 991	22 551	22 527	22 527	23 512	4.37	25 454	27 236
Social contributions	2 154	2 424	2 758	3 071	3 062	3 062	3 291	7.48	3 564	3 825
Goods and services	2 357	2 787	2 721	3 549	10 893	10 893	6 672	(38.75)	6 083	6 903
of which										
Administrative fees	10		11							
Audit cost: External	713	525	809	527	827	827	1 000	20.92	1 055	1 547
Bursaries: Employees	82									
Catering: Departmental activities	90	49	78				66		70	75
Communication	18	29	40	171	182	182	248	36.26	252	287
Computer services	22	119			52	52		(100.00)		
Cons/prof: Business and advisory services	106	164	150	1 300	8 105	8 105	3 359	(58.56)	2 599	2 749
Contractors	23	20	29	52	52	52	52		52	52
Agency and support/ outsourced services							20			
Entertainment	26	18	21	28	30	30	26	(13.33)	26	26
Inventory: Food and food supplies	9	10	13	13						
Consumable supplies					48	48	41	(14.58)	43	45
Consumable: Stationery, printing & office supplies	109	178	166	266	218	218	243	11.47	257	276
Travel and subsistence	582	762	926	762	948	948	1 084	14.35	1 159	1 236
Training and development	218	178	295	233	233	233	268	15.02	290	311
Operating payments	315	650	60	74	84	84	134	59.52	141	149
Venues and facilities	34	85	123	123	114	114	131	14.91	139	150
Transfers and subsidies to		5	15		23	23		(100.00)		
Households		5	15		23	23		(100.00)		
Social benefits		5	15		23	23		(100.00)		
Total economic classification	19 444	21 989	25 485	29 171	36 505	36 505	33 475	(8.30)	35 101	37 964

## Annexure A to Vote 3

Table A.3 Details on public entities – Name of Public Entity: Western Cape Gambling and Racing Board

R'000	Outcome			Main appropriation 2014/15	Adjusted appropriation 2014/15	Revised estimate 2014/15	Medium-term estimate		
	Audited 2011/12	Audited 2012/13	Audited 2013/14				2015/16	2016/17	2017/18
<b>Revenue</b>									
<b>Non-tax revenue</b>	34 871	34 149	34 712	32 883	32 883	32 883	35 139	36 905	39 230
Sale of goods and services other than capital assets	33 590	32 919	33 600	32 403	32 403	32 403	34 299	36 105	38 390
Of which:									
Admin fees	33 590	32 919	33 600	32 403	32 403	32 403	34 299	36 105	38 390
Interest, dividends and rent on land				480	480	480	840	800	840
Other non-tax revenue	1 281	1 230	1 112						
<b>Transfers received</b>		2 411	13 802	21 406	21 406	21 406	19 856	12 858	13 161
<b>Sale of capital assets</b>								7	7
<b>Total revenue</b>	34 871	36 560	48 514	54 289	54 289	54 289	54 995	49 770	52 398
<b>Expenses</b>									
<b>Current expense</b>	28 937	32 965	37 049	52 794	52 794	52 794	54 253	48 997	51 389
Compensation of employees	21 456	24 522	26 614	34 873	34 873	34 873	38 953	40 901	42 946
Use of goods and services	7 773	7 240	9 444	17 235	17 235	17 235	14 614	7 410	7 723
Depreciation	( 292)	1 203	991	686	686	686	686	686	720
<b>Transfers and subsidies</b>	489	445	465	550	550	550	590	610	641
<b>Total expenses</b>	29 426	33 410	37 514	53 344	53 344	53 344	54 843	49 607	52 030
<b>Surplus / (Deficit)</b>	5 445	3 150	11 000	945	945	945	152	163	368
<b>Cash flow summary</b>									
Adjust surplus / (deficit) for accrual transactions	( 1 437)	( 2 324)	( 662)	( 394)	( 394)	( 394)	86	86	90
Adjustments for:									
Depreciation	( 292)	( 1 203)	686	686	686	686	686	686	720
Interest	( 1 116)	( 1 132)	( 1 348)	( 1 080)	( 1 080)	( 1 080)	( 600)	( 600)	( 630)
Net (profit)/ loss on disposal of fixed assets	( 29)	11							
<b>Operating surplus / (deficit) before changes in working capital</b>	4 008	826	10 338	551	551	551	238	249	458
Changes in working capital	( 947)	10 079	( 465)				70	5	5
(Decrease)/increase in accounts payable	( 1 004)	11 025	( 930)	( 500)	( 500)	( 500)	( 450)	( 525)	( 551)
Decrease/(increase) in accounts receivable	57	( 1 246)	465	500	500	500	520	530	557
(Decrease)/increase in provisions		300							
<b>Cash flow from operating activities</b>	3 061	10 905	9 873	551	551	551	308	254	464
Transfers from government		2 411	5 523	10 406	10 406	10 406	10 488	10 908	11 486
Of which:									
Current		2 411	5 523	10 406	10 406	10 406	10 488	10 908	11 486
<b>Cash flow from investing activities</b>	405	( 301)	598	626	626	626	( 671)	560	590
<b>Acquisition of Assets</b>	( 750)	( 1 458)	( 750)	( 454)	( 454)	( 454)	( 1 271)	( 40)	( 40)
<b>Other flows from Investing Activities</b>	1 155	1 157	1 348	1 080	1 080	1 080	600	600	630
<b>Cash flow from financing activities</b>	( 1 945)	1 485	880	9 630	9 630	9 630	1 990	1 940	2 037
<b>Net increase / (decrease) in cash and cash equivalents</b>	1 521	12 089	11 351	10 807	10 807	10 807	1 627	2 754	3 091
<b>Balance Sheet Data</b>									
<b>Carrying Value of Assets</b>	2 517	2 738	1 881	1 873	1 873	1 873	1 649	1 389	1 458
<b>Cash and Cash Equivalents</b>	26 959	31 228	41 004	22 504	22 504	22 504	19 504	17 504	18 379
<b>Receivables and Prepayments</b>	1 051	2 397	615	430	430	430	480	455	478
<b>Total Assets</b>	30 527	36 363	43 500	24 807	24 807	24 807	21 633	19 348	20 315
<b>Capital and Reserves</b>	12 698	3 566	11 000	395	395	395	152	163	368
<b>Trade and Other Payables</b>	5 756	16 782	17 000	8 912	8 912	8 912	5 981	3 685	3 672
<b>Provisions</b>		300							
<b>Funds Managed (e.g. Poverty Alleviation Fund)</b>	12 104	15 746	15 500	15 500	15 500	15 500	15 500	15 500	16 275

## Annexure A to Vote 3

Table A.4 Transfers to local government by transfers/grant type, category and municipality

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
				Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	2015/16	2014/15	2016/17	2017/18
Total departmental transfers/grants										
Category A				300300			(100.00)			
City of Cape Town				300300			(100.00)			
Category B	3 300	6 150	11 939	12 73512 735			(100.00)			
Matzikama	300	200	350	490490			(100.00)			
Cederberg		400	400	500500			(100.00)			
Bergrivier		200	1 050	820820			(100.00)			
Saldanha Bay	200									
Swartland	300	750	200	510510			(100.00)			
Witzenberg	300		300	822822			(100.00)			
Drakenstein			400	600600			(100.00)			
Stellenbosch		300	400							
Breede Valley			650	707707			(100.00)			
Langeberg			250	443443			(100.00)			
Theewaterskloof	400	300	100	1 3371 337			(100.00)			
Overstrand			800	514514			(100.00)			
Cape Agulhas	200		200	810810			(100.00)			
Swellendam		1 350	450	706706			(100.00)			
Kannaland	100	300								
Hessequa			600	690690			(100.00)			
Mossel Bay	200	150	400							
George	200	200	400	500500			(100.00)			
Oudtshoorn	100	250	1 017							
Bitou	200	200	400	449449			(100.00)			
Knysna		350	400	500500			(100.00)			
Laingsburg	300	400	1 259	350350			(100.00)			
Prince Albert	200	400	1 113	300300			(100.00)			
Beaufort West	300	400	800	1 6871 687			(100.00)			
Category C	150	2 100	3 430	3 7653 765			(100.00)			
West Coast District Municipality		300	400	800800			(100.00)			
Cape Winelands District Municipality			300	1 0251 025			(100.00)			
Overberg District Municipality	150	550	1 015	910910			(100.00)			
Eden District Municipality		550	500	830830			(100.00)			
Central Karoo District Municipality		700	1 215	200200			(100.00)			
Unallocated				6 000			24 83129 55849 258			
Total transfers to local government	3 450	8 250	15 369	6 000	16 800	16 800	24 831	47.80	29 558	49 258

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, especially to the most vulnerable municipalities. Over the MTEF, R24.831 million in 2015/16, R29.558 million in 2016/17 and R49.258 million in 2017/18 have been reserved for this purpose. The amounts are unallocated at this stage and will be split between Vote 14: Local Government and Vote 3: Provincial Treasury and shifted in the respective Adjusted Estimates that will be based on the outcomes and recommendations of both the MGRO, IDP and LG MTEC 3 processes.

## Annexure A to Vote 3

Table A.4.1 Transfers to local government by transfers/grant type, category and municipality

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
				Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	2015/16	2014/15	2016/17	2017/18
Financial Management Support Grant	3 450	8 250	15 369	6 000	16 800	16 800	24 831	47.80	29 558	49 258
Category A					300	300		(100.00)		
City of Cape Town					300	300		(100.00)		
Category B	3 300	6 150	11 939		12 735	12 735		(100.00)		
Matzikama	300	200	350		490	490		(100.00)		
Cederberg		400	400		500	500		(100.00)		
Bergvriër		200	1 050		820	820		(100.00)		
Saldanha Bay	200									
Swartland	300	750	200		510	510		(100.00)		
Witzenberg	300		300		822	822		(100.00)		
Drakenstein			400		600	600		(100.00)		
Stellenbosch		300	400							
Breede Valley			650		707	707		(100.00)		
Langeberg			250		443	443		(100.00)		
Theewaterskloof	400	300	100		1 337	1 337		(100.00)		
Overstrand			800		514	514		(100.00)		
Cape Agulhas	200		200		810	810		(100.00)		
Swellendam		1 350	450		706	706		(100.00)		
Kannaland	100	300								
Hessequa			600		690	690		(100.00)		
Mossel Bay	200	150	400							
George	200	200	400		500	500		(100.00)		
Oudtshoorn	100	250	1 017							
Bitou	200	200	400		449	449		(100.00)		
Knysna		350	400		500	500		(100.00)		
Laingsburg	300	400	1 259		350	350		(100.00)		
Prince Albert	200	400	1 113		300	300		(100.00)		
Beaufort West	300	400	800		1 687	1 687		(100.00)		
Category C	150	2 100	3 430		3 765	3 765		(100.00)		
West Coast District Municipality		300	400		800	800		(100.00)		
Cape Winelands District Municipality			300		1 025	1 025		(100.00)		
Overberg District Municipality	150	550	1 015		910	910		(100.00)		
Eden District Municipality		550	500		830	830		(100.00)		
Central Karoo District Municipality		700	1 215		200	200		(100.00)		
Unallocated				6 000			24 831		29 558	49 258

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, especially to the most vulnerable municipalities. Over the MTEF, R24.831 million in 2015/16, R29.558 million in 2016/17 and R49.258 million in 2017/18 have been reserved for this purpose. The amounts are unallocated at this stage and will be split between Vote 14: Local Government and Vote 3: Provincial Treasury and shifted in the respective Adjusted Estimates that will be based on the outcomes and recommendations of both the MGRO, IDP and LG MTEC 3 processes.

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Table A.5 Provincial payments and estimates by district and local municipality

Municipalities R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate 2014/15	2015/16	2016/17	2017/18
Cape Town Metro	142 619	162 283	199 967	648 298	239 168	239 168	262 029	9.56	278 733	325 607
Total provincial expenditure by district and local municipality	142 619	162 283	199 967	648 298	239 168	239 168	262 029	9.56	278 733	325 607

Table A.5.1 Provincial payments and estimates by district and local municipality – Programme 1: Administration

Municipalities R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate 2014/15	2015/16	2016/17	2017/18
Cape Town Metro	31 138	35 462	40 780	44 886	44 943	44 943	52 058	15.83	54 934	62 260
Total provincial expenditure by district and local municipality	31 138	35 462	40 780	44 886	44 943	44 943	52 058	15.83	54 934	62 260

Table A.5.2 Provincial payments and estimates by district and local municipality – Programme 2: Sustainable Resource Management

Municipalities R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate 2014/15	2015/16	2016/17	2017/18
Cape Town Metro	61 331	70 898	86 182	520 318	99 288	99 288	116 418	17.25	127 755	157 824
Total provincial expenditure by district and local municipality	61 331	70 898	86 182	520 318	99 288	99 288	116 418	17.25	127 755	157 824

Table A.5.3 Provincial payments and estimates by district and local municipality – Programme 3: Asset Management

Municipalities R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate 2014/15	2015/16	2016/17	2017/18
Cape Town Metro	30 706	33 934	47 520	53 923	58 432	58 432	60 078	2.82	60 943	67 559
Total provincial expenditure by district and local municipality	30 706	33 934	47 520	53 923	58 432	58 432	60 078	2.82	60 943	67 559

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**Table A.5.4 Provincial payments and estimates by district and local municipality – Programme 4: Financial Governance**

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
				Main appro- piation 2014/15	Adjusted appro- piation 2014/15	Revised estimate 2014/15	2015/16	2014/15	2016/17	2017/18
Cape Town Metro	19 444	21 989	25 485	29 171	36 505	36 505	33 475	(8.30)	35 101	37 964
Total provincial expenditure by district and local municipality	19 444	21 989	25 485	29 171	36 505	36 505	33 475	(8.30)	35 101	37 964