

VOTE 7

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

To be appropriated by vote in 2016/17	R418 763 000
Responsible MEC	MEC for Cooperative Governance and Traditional Affairs
Administering Department	Department of Cooperative Governance and Traditional Affairs
Accounting Officer	Head of Department

1. OVERVIEW

Vision

Lead provincial department in the coordination, collaboration, and facilitation of cooperative governance in building a globally competitive and people-driven Gauteng City-Region.

Mission

In pursuit of our vision of cooperative governance, COGTA shall:

- Support, facilitate, coordinate, and regulate inter-sphere and cross-departmental integrated planning, budgeting, implementation; and
- Monitor, evaluate and report on local government performance in order to achieve an accountable, stable, efficient, effective and resilient, activist and ethical local government and empowered communities.

Strategic Goals

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

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

Core functions and responsibilities

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

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

Main services

To assist the province's municipalities to achieve good governance and accountability through the implementation of the oversight model, the department continues to provide support to the same municipalities. It continues to monitor the effectiveness and impact of the Municipal Public Accounts Committees (MPACs') oversight and accountability functions. This enables MPACs to contribute to improved assessment of the municipalities' accountability and responsibility to render services to its communities, as per the mandate.

The main focus of the department in the 2016/17 financial year will be to continue strengthening ward-based planning and public participation through the involvement and training of ward committees, as a result of the local government elections which will bring in new ward committees and councillors. The department will continue to monitor the effectiveness and

the impact of MPAC in carrying out its oversight and accountability functions. The department is currently drafting a 15-year assessment report on the performance of the municipalities in line with their mandate to their constituencies.

The department exercises oversight over the relationship between local municipalities' structures, traditional leadership structures and communities in the province. The Department will continue to monitor progress in achieving targets such as the implementation of waste water management systems, provincial sanitation and water demand management strategies, until the output is achieved.

The integration of IDPs and dealing with municipal debt in respect of revenue management, are some of the specific areas in which the Department will provide support in the coming financial year. The department will support the Municipal Demarcation Board's intension to finalise the mergers of municipalities in the West Rand and Sedibeng districts to form Metros with an aim of utilising resources, optimally. The department is currently finalising processes of carrying out voter education for the 2016 local government elections; and assist municipalities with developing their consolidated municipal sector plans.

Ten pillar programme

Transformation of state and governance

In line with the audit outcomes of the 2015/16 financial year, the department will allocate funding aimed at providing capacity support to municipalities in critical areas for complying with Operation Clean Audit in Gauteng. To achieve this, the Department will support municipalities in the areas of asset management, financial management, revenue enhancement, performance management systems, project and contract management and skills development within scarce skills areas. The Municipal merger process which started during 2014/15 financial year will continue to materialise to enable municipalities to be self-sufficient; to manage resources more effectively; and to achieve their mandates and functions in line with the transformation of the State. To this end, the major contribution of the department towards the transformation of the state and governance, will be the department's mandate to ensure the smooth and seamless merger of Westonaria and Randfontein Local Municipalities into one bigger municipality and to support the new municipality after 2016 local government elections to address the audit outcomes released at the end of November 2015.

The process of ensuring that 508 ward committees are in place, will continue in the 2016/17 financial year. To argument that, the department allocates R2.8 million for the provision of training and skills auditing for new members of ward committees and functions; assessing the committees' impact; and strengthening public participation. The Department will work with municipalities on their local economic development (LED) strategies, intended to strengthen their economies within the context of an economically inclusive Global City Region.

Modernisation of the public service

Over and above monitoring the implementation of back to basics, the department will continue to investigate and recommend methods and ways that will improve access to municipal services and payment of the same.

The department allocated a substantial amount of funding to improve access to basic services. The allocated funding will ensure continuous provision of free basic services to the indigent communities such as free electricity and water and sanitation from municipalities. However, the Province continues to experience in-migration coupled with the 2016 local government elections with municipal mergers pending. An amount of R3 million in the sub-programme Municipal Infrastructure is set aside for this initiative.

National Development Plan

The department will pursue its aim of reducing employment and poverty through equitable growth, integrated strategies and prudent planning by all spheres of government in order to position the province as a globally competitive region. The department will align with the National Development Plan (NDP) by seeking to create a liveable, equitable, prosperous and united Gauteng City Region characterised by economic and social inclusivity and cohesion, sustainable development and infrastructure and good governance.

External activities and event relevant to Budget decisions

The expected promulgation of the National Bill on traditional affairs, which will allow Khoisan leaders to be Traditional leaders, will have an impact on the budget, including the anticipated remuneration packages for Traditional Leaders.

Acts, rules and regulations – (Legislative Mandates)

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

- Local Government: Municipal Systems Act (Act NO. 32 of 2000);
- Public Finance Management Act (Act No. 1 of 1999);
- Local Government: Demarcation Act (Act No. 27 of 1998);
- Local Government: Municipal Structure Act (Act No. 117 of 1998);
- Extension of Security of Tenure Act (Act No. 62 of 1997);
- Land Administration Act (Act No. 2 of 1995);
- Reconstruction and Development Programme Fund Act (Act No. 7 of 1994);
- Expropriation Act (1951), as repealed by Act No. 63 of 1975;
- State Land Disposal Act (Act No. 48 of 1961); and
- Deeds Registries Act (Act No. 47 of 1937).

Provincial Legislation

- Gauteng Traditional Leadership Act no. 1 of 2010;
- Gauteng Types of Municipality Act no. 03 of 2000; and
- Gauteng City Improvement Act no. 12 of 1997.

Good Governance Legislation

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

2. REVIEW OF THE CURRENT FINANCIAL YEAR (2015/16)

Transformation of the state and governance

The department continued to monitor the functionality of ward committees in the province and reported quarterly on the progress made. Training has been implemented in four municipalities. These included Randfontein with 120 participants; Merafong with 136; Westonaria with 66; and Mogale City with 70 participants.

The Community Development Workers (CDWs) continued to play a supporting role in the implementation of the Public Participations Framework. CDWs support government programmes through the advocacy initiatives and participatory democracy process, in particular the IDP process, ward committees and imbizos. Individual and community service delivery cases were referred to the War Room, municipalities, provincial and national departments.

In relation to Back to Basics (B2B), the department supported the programme by profiling municipalities' service delivery achievements, during the third quarter of 2015/16 in the newsletter which features the City of Johannesburg. The West Rand merger between Randfontein and Westonaria is currently in the process of being completed. The change management committee has set up work streams that would ensure that integration of work systems, bylaws, procedures and policies are harmonised and consolidated to create a sustainable and functional municipality. The Department has set aside an amount of R15 million for the merger to ensure that, amongst other things, structures and the transition are properly managed to ensure that seamless service delivery to the communities is not interrupted.

The Department spent an amount of R4 million for the provision of water to the Boikutlong informal settlement community, whilst an amount of R8 million has been set aside to provide high mast street lighting to the community of Boiketlong. Most of the communities have benefitted from the project and will also benefit from the high mast street lighting once the project is completed. During the current financial year, the Department allocated R10 million to develop a voter education strategy as part of the preparation for 2016 local government elections and voter education.

In support of the Ntirhisano programme, the department, together with the Gauteng Provincial Treasury, monitors and supports the Emfuleni Local Municipality to implement phase 1 of the short term service delivery plan. To date, the municipality has shown progress.

In the provision of basic services in line with the Back-to-Basics Approach, three municipalities were assessed against service delivery benchmarks. The results of this assessment reflect a provincial benchmark of: Water – 96.4 per cent; Sanitation – 90.9 per cent; and Refuse removal at 89.1 per cent. In addition, the government debt management committee report highlighted that Gauteng has 234 086 registered indigent Households (HH) who receive Free Basic Services in 10 municipalities.

The Municipal Infrastructure Grant (MIG) expenditure is currently at 33.58 per cent or R154 million of the R457 million (total allocation this financial year) for projects across Gauteng. In relation to water conservation, municipalities are implementing technical and social intervention of the Water Conservation and Demand Management Strategy to reduce 2.5 per cent losses by the end of 2015/16 financial year.

Modernisation of the public service.

The establishment of the Provincial Disaster Management Centre (PMDC) was delayed in the current financial year due to delays in securing a building after the secured lease was withdrawn in the last minute. Due to the withdrawal of the lease, the procurement of the equipment for the centre was also delayed. The Department of Infrastructure Development has now secured a building for the PMDC, on behalf of COGTA and the centre should be functional in the 2016/17 financial year.

Transformation of the public service

To contribute to the transformation of public service, the Department has thus far achieved 36% in employment equity targets. This has been progressive over the three quarters. The Department will have to achieve the remaining 14% in the last quarter, to ensure achievement of the annual target.

In improving sound financial management, the Department monitored all 12 municipalities on their implementation of the Audit Response Plan based on the 2014/15 audit outcomes. The department also ensures compliance to GRAP standards i.e. GRAP 13 – Leases; GRAP 16 – Investment Property; GRAP 21 - Impairment of non-cash generating assets; GRAP 25 - Employee benefits; GRAP 26 - Impairment of cash generating assets; GRAP 100 - Discontinued Operations; and iGRAP 1 - Recognition of Revenue (Traffic fines) in the three Municipalities (Tshwane, Westonaria and Randfontein).

The government debt management committee report indicates that municipalities' collection rate stands at 42% due to strengthened Implementation of credit control policies by municipalities. Randfontein Municipality was given financial support to cascade (level 3-5) of the Automated Performance Management System (PMS) whilst Merafong, City of Tshwane and Joburg received support to review their HR Strategy and Plans.

Training of 60 officials and councillors on the municipal finance training programme, was completed. This target is planned over two years and participants received training in 16 modules of the National Treasury Competency Framework.

3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2016/17)

With the coordination and maintaining intergovernmental relations (IGR) mandate, the department will facilitate the realisation of programmes that fall within the jurisdiction of other Pillars, in line with the GCR imperatives. COGTA has a strategic role to play in the implementation of the Ten Pillar and GCR Game Changer Programmes, especially as the coordinator of the Governance and Planning Cluster. CoGTA has the responsibility to deliver on the following three Pillars:

- Transformation of the State and Governance
- Decisive Spatial Transformation; and
- Modernisation of the Public Service.

The latter pillars are further elaborated to fully support the Ten Pillar Programme in Gauteng.

Transformation of the state and governance

The department will develop plans and programmes to enhance the functionality of ward committees across the province. Individual and community service delivery cases will continue to be attended to and/or referred to the War Room, municipalities, provincial and national departments. As part of its mandate, the department will assist in the preparation and facilitation of free and fair local government elections, and continue to promote and establish organs of people's power (ward committees, street committees and block committees). The department will, in the financial year, implement induction and training for all new ward committee members after the 2016 local government elections.

The Community Development Workers (CDWs) will continue to support implementation of Public Participations Framework through the advocacy initiatives and participatory democracy process, in particular the IDP process, ward committees and izimbizo's. Service delivery cases will be managed for the War Room, municipalities, provincial and national departments and referred accordingly. In the coming financial year, the Department will need to configure the Community Development Workers' Programme with a view to provide it with more capacity, particularly, in each ward so that engagement with communities is intensified as part of B2B programme.

With the intent to contribute to the Gauteng City-Region, the department will scrutinise and revitalise the IDP processes in order to strengthen participation while training will be provided to municipal officials to ensure that capacity building is imparted in the development of IDPs. Engagements with sector departments will continue to strengthen and validate the quality of IDP in representing the needs of its communities. An analysis, which will include the review of structures and processes of popular participation, will be conducted on the state of IDP in the province to strengthen participatory governance and expand people's democracy.

Modernisation of the public service

In achieving Financial Management and viability across municipalities, the department will continue to monitor all 12 municipalities on their implementation of the Audit Response Plan based on the 2015/16 audit outcomes. The department

will provide financial support to update and maintain infrastructure asset registers in line with the GRAP 17 requirements to identified Municipalities, based on audit outcomes. The target for reduction of total government debt paid to municipalities is 80 per cent for the 2016/17 financial year. However, the 2015/16 financial year has seen great improvement in the reduction of outstanding government debt. The collection rate for the top 500 business debtors is at 80 per cent and it is anticipated that by 2018/19, municipalities will be able to collect at 90 per cent or more.

Improving and sustaining sound financial management will require the department to provide support to newly merged municipalities with hands-on support for the rolling out and cascading of level 3-5 of the Automated PMS. The municipalities will also be provided with support to review their medium to long term HR Plans and their Scarce and Critical Skills Strategy based on new municipal IDPs after the elections. In addition, the municipalities will be supported with the development and design of a functional organisational structure to quickly bring municipalities to normality in order to carry out their service delivery mandate. During the coming financial year, the establishment of the Provincial Disaster Management Centre will take a final stage for completion since the building has already been identified and the appointment letter issued.

Decisive Spatial Transformation

In contributing to province-wide infrastructure planning and performance, the Department will organise and manage the provincial and municipal infrastructure development and service delivery coordinating structures. The main aim of the structures is to facilitate implementation of infrastructure projects that will influence the spatial planning of the province. The department will also coordinate the allocation of MIG funds to further the implementation of capital projects.

In 2016/17 the department will further allocate resources to renovate the procured building for the Provincial Disaster Management Centre (PDMC) and procurement of the equipment for the temporary lease for the Centre. During the 2016/17 financial year, the department will continue to prioritise capacity-building support for local government. It will also maintain partnerships with stakeholders who provide scarce skills to augment municipal capacity. This enables and maintains service delivery while also addressing audit findings.

The department, as part of its legislative duty, Municipal Structures Act no 32 of 2000 (MSA 2000) will continue with the assessment of IDP's on an annual basis in pursuance of compliance to relevant legislation to foster horizontal and vertical alignment as well as sustaining the credibility of the IDP's. In collaboration with sector departments in the province, COGTA will finalise the review of the Gauteng IDP Analysis Framework to foster integration of the TMR and Sustainable Development Goals (SDG's) in municipal IDP's. The Nthirhisano programme offers the Department an opportunity to identify pertinent community needs and concerns that will start transforming spatial planning in the province. The department will analyse information collected, including the one from agencies such as Auditor-General, Statistics South Africa and (GCRO) to ensure that information is used to cross check and authenticate the municipal reports as part of going Back to Basics thus; targeting improvement in AT RISK municipalities. The department will, in the coming financial year, oversee and participate in the process of section 57 appointments.

As part of the Ntirhisano programme, the department will ensure the full roll out of Management Performance Assessment Tool (MPAT) to municipalities; full implementation of Back to Basics'; assist Municipalities with credible, updated and maintained Infrastructure Asset registers; improved infrastructure development and maintenance; ensure that an effective GCR-wide Disaster Management capacity and provincial Disaster Management Centre is established; and provide municipal support for scarce & critical skills, key systems and support.

Over the short-to-medium term, the department will pursue strategic objectives, which will shape the future of the province and these include, inter alia, the Township Economies Revitalisation; Tshepo 500 000; Gauteng Energy Plan; Welfare to Work; Gauteng Safety Strategy; Human Settlement Strategy and e-Governance Strategy.

4. REPRIORITISATION

The reprioritised funds will assist with projects related to the municipal amalgamation involving the West Rand and Sedibeng district municipalities and Ekurhuleni Metro and Lesedi municipality; infrastructure projects such as the development of the provincial Strategy on Water Conservation and Demand Management; and other capital projects, in line with approved IDPs. In light of this, when comparing the 2015/16 budget against the 2016/17 budget, Programme 1: Corporate Support Services reprioritised money as part of cost containment implementation, where items such as administration fees, advertising, catering, venues and facilities, travel and subsistence, consumable stationary and operating payments, were reduced drastically to fund items which support the core of the business such as property payments, which will fund the rates and taxes for the soon to be acquired, PDMC. Funding for items such as audit fees, fleet services and consultants were also increased from the savings realised from cost containment implementation. Further to that Programme 1 decreased by R13.5 million to fund Programme 2: Core Business service delivery outputs. Programme 2: Core Business is key to the implementation of the core mandate of COGTA and provides support such as the implementation of GRAP17 and PMS to municipalities, the roll out of CDW's and the monitoring, reporting and evaluation of municipal performance.

Funds were also reprioritised to Programme 4: Traditional Institutional Development mainly to support and enhance the

capacity of traditional leadership and local governance institutions in the City of Tshwane (Amandebele Ba Lebelo and Amendable Ndzunza Sokhumi traditional councils). In addition, the reprioritised funds will provide for continuous training of traditional council members as part of the transformation of state and governance.

5. PROCUREMENT

In the coming financial year, the department will:

- Continue with the leasing of the temporary building and finance rental for, and the procurement of, equipment of the Provincial Disaster Management Centre which did not materialised in the current financial year.
- Implement the induction on public participation strategy for newly elected councillors in municipalities and in ward committees.
- Support municipalities in developing and adopting the Public Participation Framework.
- Provide training and development for newly elected ward committees for all municipalities after the local government elections.
- Continue to strengthen the MPAC as a watchdog of accountability within municipalities.
- Support municipalities in developing and implementing customised municipal recruitment, performance management systems (PMS) and retention strategies.
- Assist municipalities to adhere to the norms and standards of the revised PPF.
- Continue with the implementation of the government debt strategy in all municipalities.
- Provide continuous training of traditional council members as part of the transformation of state and governance.

6. RECEIPTS AND FINANCING

6.1 Summary of receipts

TABLE 7.1: SUMMARY OF RECEIPTS: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	257 840	273 657	338 598	404 972	406 577	406 577	416 763	440 220	466 910
Conditional grants			2 000		2 000		2 000		
Total receipts	257 840	273 657	340 598	406 972	406 577	406 577	418 763	440 220	466 910

The table above shows the departmental receipts which comprised of equitable share, which is mainly utilised to finance and carry out the mandate and operational activities of the department. The allocation for the department increased from R258 million in 2012/13 to R274 million in 2013/14 and subsequently to R341 million in 2014/15 which were mainly to fund personnel requirements, provide support to municipalities and a once-off conditional grant for the expanded public works' programme (EPWP) of R2 million to support job creation in communities. In 2015/16, the Department's allocation increased to R407 million, which included an additional R10 million for the Voter Education programme in preparation for Municipal Elections. The allocation increases to R419 million in 2016/17 financial year with a further increase of R19 million to R440 million in the following financial year and to 467 million in the last financial year of the MTEF to fund key departmental programmes, namely: Municipal support activities in totality, including operation clean audit initiatives, to update and maintain infrastructure asset registers in line with GRAP17 to identified municipalities, which is ongoing, the renovation of the Provincial Disaster Management Centre building (procured), the temporary leasing of the centre, including equipment. This budget will also cater for training of ward committees and councillors after the coming 2016 Local government elections. The increase over the MTEF will assist the department to continue to roll out Operation Clean Audit and to deal with audit issues to be raised by the Auditor-General during the 2016/17 audit outcomes; to train ward councillors as a result of the 2016 local government elections; implement revenue management; and implement the priorities and programmes of the current administration.

Included in the budget utilisation will be an assessment on the training of municipal officials on GEYODI mainstreaming and evaluation of impact assessment on training of women councillors and skills development, as a result of the coming local government elections.

6.2. Departmental receipts

TABLE 7.2: DEPARTMENTAL RECEIPTS: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Sales of goods and services other than capital assets	360	130	325	141	141	295	148	156	165
Interest, dividends and rent on land	25	25	6	26	26	16	27	29	30
Sales of capital assets									
Transactions in financial assets and liabilities	56	300	159	314	314	170	331	347	367
Total departmental receipts	441	455	490	481	481	481	506	532	563

Departmental receipts increased from R441 000 in 2012/13 to R490 000 in 2014/15 and includes collection on parking fees (additional parking bays issued) and tender documents sold. In the 2015/16 financial year, receipts amount to R481 000 and they increase to R563 000 in the outer year of the MTEF. The main sources of revenue are parking fees from staff members, third party transactions such as commissions, sale of tender documents, and interest from staff debts, including servitudes from Eskom.

7. PAYMENT SUMMARY

7.1. Key assumptions

The assumptions that underpin the department's 2016 MTEF budget are summarized below. The Department has a 7.2 percent wage increase for 2016/17, 6.8 percent for 2017/18 and 5.8 percent for the outer year of the MTEF. A 6.2 percent increase in goods and services is anticipated, in line with projected consumer price inflation (CPI). The following elements have been taken into consideration when determining budgets for personnel and other economic classifications for the 2016 MTEF:

- Number of staff, vacancies and possible changes over the MTEF;
- Basic salary costs including improvement of conditions of service adjustment from 1 April each year;
- Salary increases for officials with occupation-specific dispensations (OSDs);
- Provision for filling vacant posts as a result of the approved structure of the department by DPSA;
- The need to fill CDW vacancies in all wards;
- The renovation of the new PDMC building and procurement of equipment for the temporary lease;
- Provision for the administration and functioning of merging municipalities after 2016 municipal elections as per proclamation by the Municipal Demarcation Board (MDB); and
- Continuous provision for Operation Clean Audit initiatives in relation to the 2015/16 audit outcomes.

7.2. Programme summary

TABLE 7.3: SUMMARY OF PAYMENTS AND ESTIMATES: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	37 207	80 766	82 819	125 632	115 582	114 982	123 862	129 090	137 997
2. Local Governance	142 700	158 629	162 712	196 976	200 631	201 231	203 090	215 472	227 132
3. Development Planning	25 097	28 239	31 423	77 116	83 116	83 116	81 396	84 595	90 367
4. Traditional Institutional Management	3 766	6 023	6 507	7 248	7 248	7 248	10 414	11 064	11 415
Total payments and estimates	208 770	273 657	283 461	406 972	406 577	406 577	418 763	440 220	466 910

7.3. Summary of economic classification

TABLE 7.4: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	206 942	266 880	274 609	366 796	362 575	362 553	381 604	401 344	425 778
Compensation of employees	182 711	200 300	222 104	266 482	254 419	254 395	281 299	302 359	319 896
Goods and services	24 231	66 580	52 505	100 314	108 156	108 158	100 306	98 985	105 882
Interest and rent on land									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Transfers and subsidies to:	369	2 485	6 835	10 030	13 730	13 730	9 053	7 249	7 670
Provinces and municipalities			5 000	7 500	11 563	11 563	7 000	5 250	5 555
Households	369	2 485	1 835	2 530	2 167	2 167	2 053	1 999	2 115
Payments for capital assets	1 257	4 263	1 879	30 146	30 146	30 146	28 105	31 627	33 462
Buildings and other fixed structures							8 000	9 000	9 522
Machinery and equipment	830	4 263	1 865	30 146	30 146	30 146	20 105	22 627	23 940
Software and other intangible assets	427		14						
Payments for financial assets	202	29	138		126	148			
Total economic classification	208 770	273 657	283 461	406 972	406 577	406 577	418 763	440 220	466 910

The table above includes reprioritisation of the budget at programme and economic classification level over the 2016/17 MTEF. During 2012/13, expenditure amounted to R209 million and increased significantly by R65 million to R274 million in 2013/14. Expenditure increased by R10 million to R283 million in the 2014/15 financial year. The budget increases by R18 million from R407 million to R419 million between 2015/16 and 2016/17. This was mainly due to the refocus on the Department's mandate to support municipalities and to ensure departmental capacity by filling critical posts.

The allocation increases from R419 million in the 2016/17 financial year to R467 million in the 2018/19 financial year. The increase is as a result of the new PDMC which will be renovated after the outright procurement of the building during the 2015/16 financial year and the procurement of the equipment for the lease building (temporary); continuation of implementation of priorities identified by the current administration; the need to address the audit outcomes of municipalities during Operation Clean Audit in 2016; the filling of critical CDW positions in each ward as a result of natural attrition; and to refurbish the building that will be made available to accommodate the Department.

Programme 1: Administration expenditure increased from R37 million in 2012/13 to R81 million in 2013/14, which was mainly to fund operational needs/support requirements after the demerger from the former Department of Housing. There was a slight increase to R83 million in 2014/15. This was to enable the department to deliver on its expanding mandate of oversight of and support for municipalities and ensuring that it is adequately capacitated. The increase over the MTEF, in comparison to the 2016/17 main appropriation, is mainly due to the refurbishment of the building that will accommodate the Department, and the procurement of the ICT infrastructure equipment that will support the Department's work. Over the 2016 MTEF, the budget increases to R124 million in 2016/17 and R138 million in 2018/19. Included in the budget for this programme is the maintenance of the E-MAPP financial system procured during the 2015 financial year. The E-MAPP system will assist the department with regards to the financial information systems and information keeping.

Programme 2: Local Governance has the largest share of the budget. This is mainly allocated to core functions of the Department to ensure that Operation Clean Audit programme continues in Municipalities; and to address audit outcome matters to be raised by the Auditor-General in the 2015/16 financial year. The budget will also ensure that the CDW programme continues through the allocation of a worker to each ward. This will alleviate the burden on ward councillors; CDWs will direct community members to the Department where services are required. This programme spent R143 million in 2012/13; R159 million in 2013/14; and R163 million in 2014/15. The budget grows from R197 million in 2015/16 to R227 million over the MTEF for hands-on support to municipalities. This includes provision for ongoing ward councillor training, implementation of revenue management strategies to deal with municipal debts that have been escalating drastically, Municipal Rates Property Act (MRPA) and the implementation and other critical activities as they arise. Included in the budget will be the recourses to train new ward committees and councillors in all aspects of municipal competencies as a result of the upcoming local government elections.

Programme 3: Expenditure in development and planning amounted to R25 million in 2012/13 and increased to R28 million in 2013/14. It increased to R31 million in 2014/15; and further increases to R77 million in 2015/16 as result of the allocation for the PDMC which will be constructed by the end of the 2016 financial year. The budget will also enable geysers to be continuously installed in communities in targeted municipalities. The allocation increases to R81 million in 2016/17 and to R90 million in 2018/19. The increase over the 2016 MTEF also relates to the renovation of the procured building during 2015/16 financial year and the procurement of the equipment for the lease building over the period of two years. Included in this allocation is the compliance to section 36 and 50 of the Disaster Management Act in compiling, printing and submission of the annual report on all PDMC activities. Disaster Management awareness campaigns at the cost of R2 million, in collaboration with municipalities, including public education sessions. Included in the allocation is to ensure that the Department complies with disaster management legislative requirements on response and relief. This budget will also include the IDP engagements and education in all communities, including the continuous roll out of IDP framework. The department received a conditional grant for expanded public works programme (EPWP) amounting to R2 million to support

job creation in communities. The programme, in its allocation for the coming year, will facilitate the implementation of water conservation and water demand management strategy to reduce water losses by 3 per cent in the coming financial year with the implementation of a water and sanitation plan.

Programme 4: The Traditional Institutional Development budget grows slightly over the 2016 MTEF, mainly to support and enhance the capacity of traditional leadership and local governance institutions in the City of Tshwane (Amandebele Ba Lebelo and Amandebele Ndzunza Sokhumi traditional councils). In addition, the budget will provide for continuous training of traditional council members as part of the transformation of state and governance. The Department of Traditional Affairs (DTA) and the Local Government Sector Education and Training Authority (LGSETA) will facilitate a national skills audit of traditional leaders and its councillors. Included in the budget over the MTEF will be administration and functioning of the amalgamated municipalities after the coming local government elections. This budget will also include conclusion of the framework on inter-governmental relations (IGR) within municipalities and traditional leadership structures.

The budget for compensation of employees increased slightly from R266 million in 2015/16 to R281 million in 2016/17, with a further increase to R320 million over the 2016 MTEF. This increase mainly relates to filling critical vacant positions; implementing the Occupational Specific Dispensation (OSDs); Improvement in Condition of Service (ICS) and wage salary agreements; and ensuring existence of CDWs in each ward. The filling of vacant positions will be concluded in the coming financial year, since the structure has been approved or concurred by DPSA.

The expenditure for goods and services grows significantly from R24 million in 2012/13 to R100 million in 2015/16. It remains constant at R100 million in 2016/17 and increases to R106 million in 2018/19. The allocation will cater for work to be carried out in relation to the PDMC; refurbishment of the building that will accommodate the Department; and ICT software licenses and servers for the new building. This increase over the MTEF will assist the Department to continue to roll out Operation Clean Audit and to deal with audit issues to be raised by the Auditor-General during the 2016/17 audit outcomes; and to continue to train ward councillors as a result of the 2016 local government elections, implement revenue management and implement the priorities and programmes of the current administration. This will assist the municipalities to turn around their finances, strategies and audit outcomes as part of the transformation of state and governance. Included in the budget for the coming financial year is the continuous training of OD ward committees, women councillors and councillors in all aspects of municipal competences, as a result of the coming local government elections.

Total budget for machinery and equipment decreases from R30 million in 2015/16 to R24 million in the outer year of the MTEF period. The allocation for the coming year is earmarked for the refurbishment of the Department's building. The slight decrease over the outer year of the MTEF is due to ongoing maintenance of the building, and providing tools of trade to new appointees. Included in the budget for the coming financial year is the renovation of the building for a centre procured during 2015/16 financial year and the procurement of equipment for the temporary leased building.

Municipal Services

The department is currently housed by the department of Infrastructure Development as well as the department of Human Settlements, however, the department is in the process of acquiring its own building. The provision for property payments will provide for both the soon to be acquired PMDC as well as the departmental head offices.

In line with the cost containment implementation, no funds were spent on catering for internal meetings, including meetings with municipalities, and other government departments, national or provincial. Number of hotel sleep overs were materially reduced with the exception of those sleep overs that meet the criteria in accordance with the cost containment measure circular. Items such as admin fees, advertising, venues and facilities, consumable stationary and operating payments were also reduced drastically to fund items which supports the core of the business, such as property payments, which will fund the rates and taxes for the soon to be acquired PMDC.

7.4 Infrastructure payments

N/A

7.4.1 Departmental infrastructure payments

N/A

7.4.2 Maintenance

N/A

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

N/A

7.5 Transfers

7.5.1. Transfers to public entities

N/A

7.5.2. Transfers to other entities

N/A

7.5.3. Transfers to local government

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Category B			5 000	7 500	11 563	11 563	7 000	5 250	5 555
Emfuleni			1 500	1 000	5 063	5 063	1 500	750	794
Lesedi			500	1 500	1 500	1 500	1 500	1 500	1 587
Randfontein			1 000	2 250	2 250	2 250	2 000	1 500	1 587
Westonaria			1 500	2 250	2 250	2 250	2 000	1 500	1 587
Merafong City			500	500	500	500			
Total transfers to municipalities			5 000	7 500	11 563	11 563	7 000	5 250	5 555

The table above shows transfers to municipalities by transfer type and by category. During the 2014/15 financial year, the department transferred a once-off R2 million to municipalities for job creation as part of the EPWP grant which continues during the coming financial year to the same municipalities for the same amount. The department also transferred funds to municipalities to an amount of R3 million for implementation of GRAP 17 and R2 million for performance management systems (PMS). Funding from the Department to municipalities in the coming financial year and over MTEF will be for various projects including continuous implementation of GRAP 17 and PMS in those identified municipalities that were not part of the implementation plan during the 2015/16 financial year.

8. PROGRAMME DESCRIPTION

PROGRAMME 1: ADMINISTRATION

Programme description

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

Programme objectives to:

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

Key Policies, priorities and outputs

- Develop policies, provide strategic direction and monitor and evaluate the Department's programmes, support services and operations;
- Render strategic and focused HRM support to ensure effective execution of the Department's functions and strategy;
- Render effective and economic financial management services to the Department; ensure the alignment of strategy and budget; manage expenditure, reporting and the supply chain;
- Render corporate services within the Department and ensure the efficient execution of the Department's functions and strategy (structure; resources: budget, physical and human; systems);
- Manage the risk strategy of the Department;
- Anti-corruption enforcement;
- Building capacity and capability to professionalise the Department;
- Monitor and support legislative compliance;
- Facilitate access to information;
- Provide sound legal advice and support to the Department;
- Provide gender mainstreaming activities and women counsellors training and summit with skills development.

TABLE 7.6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Office Of The MEC	1 236	2 816	3 563	3 986	3 986	3 930	4 629	4 992	5 281
2. Corporate Services	35 971	77 950	79 256	121 646	111 596	111 052	119 233	124 098	132 716
Total payments and estimates	37 207	80 766	82 819	125 632	115 582	114 982	123 862	129 090	137 997

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	35 394	73 989	78 967	119 756	109 943	109 321	117 704	121 520	129 988
Compensation of employees	25 799	46 211	53 277	86 206	76 156	75 331	79 842	83 442	88 281
Goods and services	9 595	27 778	25 690	33 550	33 787	33 990	37 862	38 078	41 707
Interest and rent on land									
Transfers and subsidies to:	354	2 485	1 835	2 530	2 167	2 167	2 053	1 999	2 115
Households	354	2 485	1 835	2 530	2 167	2 167	2 053	1 999	2 115
Payments for capital assets	1 257	4 263	1 879	3 346	3 346	3 346	4 105	5 571	5 894
Buildings and other fixed structures									
Machinery and equipment	830	4 263	1 865	3 346	3 346	3 346	4 105	5 571	5 894
Software and other intangible assets	427		14						
Payments for financial assets	202	29	138		126	148			
Total economic classification	37 207	80 766	82 819	125 632	115 582	114 982	123 862	129 090	137 997

The programme showed increased expenditure from R37 million to R83 million between 2012/13 and 2014/15. In 2013/14, the Department had to fund its activities as a stand-alone entity as the results of the de-merger from Human Settlements. The programme budget for 2015/16 amounted to R126 million which catered for the envisaged procurement of ICT infrastructure, software licenses, refurbishment of the new envisaged building and marketing for the MEC's outreach programmes to municipalities. The budget allocation for 2016/17 amounts to R124 million which increases to R129 million for the 2017/18 financial year before increasing to R138 million in 2018/19.

The increase in the budget of the MEC's office is mainly to enable the office to perform its functions and activities. The expenditure increased from R1.2 million in 2012/13 to R3.6 million in 2013/14 which funded the MEC's outreach programmes. The budget remains relatively constant at R5 million over the 2016 MTEF in order to continue supporting the MEC's office on its functions and activities, including the Nthiriso and outreach programmes.

The sub-programme Corporate Services expenditure increased from R36 million to R78 million between 2012/13 and 2013/14 and was for the funding of recruitment processes and operational requirements. In 2014/15, the expenditure increases to R79 million. The allocation for 2015/16 is R126 million and it increases to R133 in 2018/19. The increase in allocation is to fund the refurbishment and maintenance of the Department's building, ICT infrastructure, communication, software licenses and marketing of MEC's events including gender mainstreaming, women councillor training and skills

development, including the women councillor summit. Included in the budget for the coming year under this sub-programme is the maintenance of the E-MAPP system procured during the current year to assist the Department in the reporting mechanisms due to the continuous non-availability of BAS and SAP.

The expenditure on compensation of employees has increased from R53 million in 2014/15 to an estimated R88 million in the 2018/19 financial year. This increase is mainly to fill critical vacant positions, which is part of the recruitment drive of the Department, in line with an approved organisational structure.

The allocation for goods and services increases slightly from R26 million in 2014/15 to R34 million in 2015/16. It increases slightly to R38 million in the 2016/17 financial year because of the Department's reprioritisation to fund core functions from administration programme before it increases to R42 million in 2018/19. The allocation will cater for the envisaged procurement of ICT infrastructure, software licenses, refurbishment of the new envisaged building and marketing for the MEC's outreach programmes to municipalities. Included in the budget for the coming year under this sub-programme is the maintenance of the E-MAPP system procured during the current year to assist the Department in the reporting mechanisms due to the continuous non-availability of BAS and SAP.

Expenditure on households fluctuates between R2.1 million and R2 million for the respective years of the MTEF. The allocation over the MTEF is attributed to the beneficiaries who are still in the system with pension administration at National Treasury. The drastic decrease in this allocation is as result of beneficiaries passing on and others reaching pensionable age resulting in their transfer to the Department of Social Development for old age pension. The budget for machinery and equipment increases marginally as a result of the refurbishment of the building that will accommodate the department. This will also include the supply of tools of the trade which relates to the provision of capital assets for the appointment of new staff members and to meet the priorities of the current executive.

PROGRAMME 2: LOCAL GOVERNANCE

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

The objectives to be achieved under this programme include:

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

TABLE 7.8: SUMMARY OF PAYMENT AND ESTIMATES: LOCAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Municipal Administration	2 993	10 519	11 576	12 283	17 151	21 626	14 366	14 123	14 069
2. Municipal Finance	15 619	10 726	8 849	10 192	12 352	12 210	11 603	11 755	12 437
3. Public Participation	113 479	116 017	121 176	142 377	140 384	137 699	145 931	155 892	164 636
4. Capacity Development	10 609	11 252	10 064	18 754	17 374	17 112	16 708	18 123	19 174

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
5. Municipal Performance Monitoring, Reporting And Evaluation		10 115	11 047	13 370	13 370	12 584	14 482	15 580	16 816
Total payments and estimates	142 700	158 629	162 712	196 976	200 631	201 231	203 090	215 472	227 132

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	142 685	158 629	158 712	191 476	191 068	191 668	198 090	210 221	221 576
Compensation of employees	130 592	130 844	137 693	146 457	144 444	144 116	165 946	178 092	187 882
Goods and services	12 093	27 785	21 019	45 019	46 624	47 552	32 143	32 129	33 694
Interest and rent on land									
Transfers and subsidies to:	15		4 000	5 500	9 563	9 563	5 000	5 250	5 555
Provinces and municipalities			4 000	5 500	9 563	9 563	5 000	5 250	5 555
Households	15								
Payments for capital assets									1
Machinery and equipment									1
Total economic classification	142 700	158 629	162 712	196 976	200 631	201 231	203 090	215 472	227 132

Total expenditure increased from R143 million to R197 million between the 2012/13 and 2015/16 financial years. The increase was due to the support provided to municipalities and deployment of CDWs. The budget increases by R6 million from R197 million in 2015/16 to R203 million in 2016/17 due to allocation of elections funding and reprioritisation of functions from Programme 2 to Programme 1 and Programme 4 in order to align the functions with programmes, this will not affect the performance of the programme. The increase from R215 million in 2017/18 to R227 million in 2018/19 will fund the continuation of providing support to municipalities in relation to achieving clean audits, training (train new ward committees and councillors in all aspects of municipal competencies as a result of the upcoming local government elections) of ward committees and councillors, deployment of CDWs to each ward, conducting of research, implementation of revenue management strategies to deal with municipal debts that have been escalating drastically, Municipal Rates Property Act (MRPA) implementation and other critical activities. The Department will also look at a number of municipalities' to be supported to institutionalise Performance Management Systems, including the capacity building interventions to be conducted in municipalities in respect of financial management, project and contract management, technical skills and governance of which an amount of R2 million has been set aside that cover municipalities to be supported with implementing and institutionalising the Scarce and Critical Skills Strategy, focusing on the areas of Financial Management, Infrastructure and Oversight (S79, inclusive of MPACs). This will also support the merged municipalities with the Development and Design of a Functional Organisational Structure on Macro and Micro Functional structure (concept papers).

The budget of sub-programme Municipal Administration is mainly to provide research studies and to deal with the powers and functions on intergovernmental relations in line with the transformation of state and governance. The budget increases from R12 million in 2015/16 to R14 million in 2016/17, due to reprioritisation of functions from the sub-programme to programme one and programme four to align the functions with the programmes. The allocation remains constant over the MTEF period as a result of the promulgation of gazettes for the holding of elections at municipalities, conducting research studies on powers and functions and the development of the oversight and accountability model. The increased allocation is also attributed to the amalgamation of various municipalities in preparation for the 2016 local government elections, including coordinating and facilitating local government knowledge management and sharing and promoting effective and efficient decision making on policy development on an evidence basis. Within the allocation, the Department will train 50 new women councillors and develop GEYODI strategy with all municipalities.

Sub-programme Municipal Finance has a budget of R10 million in 2015/16 and it increases to R12 million in 2016/17. The allocation remains constant at R12 million during the 2016 MTEF period. The budget caters for continuous initiatives which include interventions on asset management, resolutions on Auditor-General outcomes, tariff modelling, data cleansing, GRAP 17 training, research on policies, guidelines and legislation necessary to the enhancement of revenue and improve debtor management and implementation of smart metering within municipalities as part of the transformation of the state and governance. The Department will support and strengthen good governance; financial management and viability; the quality of institutional and administrative capacity and practice of local government institutions, including municipalities to be monitored on implementation of Audit Response Plan based on the 2014/15 audit outcomes.

Sub-programme Public participation has an allocation that grows from R142 million in 2015/16. It increases to R146 million in 2016/17, an increase of 9 per cent. There is a further increase to R165 million over the 2016 MTEF to provide for setting up 508 ward committees in all municipalities. The allocation will cater for updating the skills audit and training ward committees in Metros and local municipalities. The training is aimed at improving the level of engagement of ward committees in planning processes, and fostering civic responsibility in planning and development. An additional module of the training focuses on conflict management to empower ward committees to facilitate good community relations amongst ward stakeholders and mitigate conflicts of interest within community groups over development issues. The Department further plans to improve relations between ward committees and CDWs in order to foster coordination of activities and strengthen service delivery in communities. The CDW programme will continue to play a supporting role in the implementation of the framework by assisting with coordination between the spheres of government and monitoring service delivery points, including promoting and improving public trust in local government through active and deliberative citizen engagement, the creation of robust engagement spaces and innovative communication platforms in line with Pillar 5: Modernisation of the public service. The Department has set aside funds within the allocated budget for induction of new councillors and ward committees as per local government elections in partnership with SALGA.

Capacity Development: this sub-programme's expenditure remained constant at R11 million in 2012/13 and 2013/14. This was due to the fact that support to municipalities continues by deploying engineers from SAICE and chartered accountants from SAICA. The allocation increases by R7 million to R18 million in 2015/16 and amounts to R19 million in 2018/19. The sub-programme will continue to provide hands-on support to improve the audit outcomes through Operation Clean Audit, targeting identified municipalities in line with the modernisation of the public service. The sub-programme will focus on infrastructure verification and intangible assets identification to ensure prudent asset management in municipalities, support and strengthen good governance; financial management and viability; the quality of institutional and administrative capacity and practice of local government institutions. This allocation will also facilitate the development of specialist and technical skills in order to transform local government. The Department will look at a number of municipalities to be supported to institutionalise Performance Management Systems, including the capacity building interventions to be conducted in municipalities in respect of financial management, project and contract management, technical skills and governance. An amount of R2 million has been set aside that covers municipalities to be supported with implementing and institutionalising the Scarce and Critical Skills Strategy, focusing on the areas of financial management, Infrastructure and Oversight (\$79, inclusive of MPACs). The Department will support the merged municipalities with the Development of Design of a Functional Organisational Structure on Macro and Micro Functional structure (concept papers).

Municipal Performance Monitoring: This sub-programme's allocation amounted to R13 million in 2015/16 and R14 million in 2016/17. Over the 2016 MTEF, the allocation increases to R17 million by inflationary adjustments. The allocation is mainly to implement the Municipal Property Rates Act (MPRA) in all municipalities. This allocation includes the assessment of determination of upper limits of municipal councillors, in terms of Remuneration of Public Office Bearers. (POBA). This will also include the assessment report on the state of municipal performance.

Compensation of employee's expenditure has been fluctuating over the years. It increased from R138 million in 2014/15 to R146 million in 2015/16. There is a further increase to R166 million in 2016/17. The allocation for compensation of employees over the MTEF further increased to R188 million. These increases relate to filling of positions in all sub-programmes within the programme, particularly CDWs to be deployed to each ward in all municipalities; and to comply with the EXCO resolution and Infrastructure Development Unit for filling engineering posts. These increases also takes into account the anticipated wage agreements.

Allocation on goods and services increased from R21 million in the 2014/15 financial year to R45 million in the 2015/16 financial year. It decreases to R32 million in the 2016/17 financial year, due to reprioritisation of functions from the programme to programme one and programme four to align the functions with programmes which will not affect the performance of the programme. Allocation remains constant at R34 million over the MTEF. These increases relate to programmes and ward and councillor training. This will include research to be conducted, and the continuous customised municipal recruitment and retention strategy and human resource development framework, meeting the continuing OPCA initiatives, and catering for municipal capacity building. It will also provide critical and scarce skills training, including the deployment of technical expertise in targeted municipalities in line with transformation of state and governance. The allocation is mainly to implement the Municipal Property Rates Act (MPRA) in all municipalities. This allocation includes the assessment of determination of upper limits of municipal councillors in terms of Remuneration of Public Office Bearers (POBA). This will also include the assessment report on the state of municipal performance. This allocation will also facilitate the development of specialist and technical skills in order to transform local government. The department will look at a number of municipalities' to be supported to institutionalise Performance Management Systems including the capacity building interventions to be conducted in municipalities in respect of financial management, project and contract management, technical skills and governance. An amount of R2 million has been set aside that cover municipalities to be supported with implementing and institutionalising the Scarce and Critical Skills Strategy focusing on the areas of Financial Management, Infrastructure and Oversight (\$79, inclusive of MPACs). This will also support the merged municipalities with the Development and Design of a Functional Organisational Structure on Macro and Micro Functional structure (concept papers)

SERVICE DELIVERY MEASURES

PROGRAMME 2: LOCAL GOVERNANCE

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of municipalities with anti-corruption strategies and fraud prevention plans.	6	6	6
Number of reports on fraud, corruption and maladministration cases reported and investigated	4	4	4
Number of research reports produced on key local policy issues identified during the relevant financial year(s).	4	4	2
Number of local government policies developed or reviewed as approved during the relevant financial year(s).	12	10	10
Sub-Programme: Municipal Finance			
Number of municipalities provided with Hands-on Support to maintain their infrastructure asset registers in line with the GRAP 17 requirements	3	3	3
Number of municipalities monitored on the implementation of Audit Response Plan based on the 2014/15 audit outcomes	12	10	10
% collection of outstanding current debtors and percentage collection of arrears government debt.	80	80	80
% of collection on Top 500 Business Debtors	80	90	95
Sub-Programme Public Participation			
Number of advocacy initiatives undertaken to support participatory democracy	12	12	12
Number of ward committees in Gauteng adhering to National functionality criteria.	Elections	new ward committees	new ward committees
Number of municipalities in which ward committees are trained.	Induction of all new ward councillors	New capacity building programme for councillors and ward committees.	Implementation of the new capacity building programme.
Number of programmes supported through community mobilisation.	12	12	12
Sub-programme Capacity Development			
Number of municipalities supported to institutionalise Performance Management System.	2	1 newly merged municipality	1 newly merged municipality
Number of municipalities supported and monitored with the review of their medium to long term HR plans	2	1 newly merged municipality	1 newly merged municipality
Number of capacity building interventions conducted in municipalities	100 participants trained	300 participants trained.	300 participants trained.
Number of municipalities supported with implementing and institutionalising the Scarce and Critical Skills Strategy	12	1 merged municipality	1 merged municipality
Sub-programme Municipal performance monitoring, reporting and evaluation			
Number of monitoring reports on municipal compliance in terms of the Municipal Finance Management Act.	3	3	3
Number of monitoring reports on conditional grants expenditure and municipal unauthorised; irregular; fruitless and wasteful expenditure reported	12	12	4 reports on state of municipal finances
Number of monitoring reports on compliance with Municipal Property Rates Act (MPRA).	13	13	9 compliance reports compiled on MFMA, MPRA, POBA
Number of reports on the implementation of the National Gazette on the determination of upper limits for municipal councillors in terms of Remuneration of Public Office Bearers' Act (POBA)	3	3	3
Number of reports on the implementation of the MSA Regulations on total remuneration packages payable to Municipal managers and managers directly accountable to municipal managers	1	1	1

PROGRAMME 3: DEVELOPMENT AND PLANNING

Programme description

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

Programme objectives

- It facilitates and coordinates processes to ensure that municipal IDPs are credible, implementable and aligned with national and provincial outcomes, plans and strategies;
- It ensures strategic management of provincial land for economic and social purposes;

- It ensures the accelerated delivery of municipal basic services and infrastructure delivery to meet national targets;
- Coordination and support is provided for the implementation of the National Disaster Management Act, the Fire Brigade Services Act and the Disaster Management Framework to ensure the effective management of disasters at national, provincial and local level;
- It facilitates integrated urban management and planning;
- It improves integration and planning;
- It increases community-based planning and
- To facilitate access to basic services for poor communities.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Land Use Management	4 639	4 767	1 668	5 946	5 611	3 275	608	638	675
2. IDP Coordination	9 494	3 387	4 925	5 870	4 388	4 388	6 001	6 431	6 804
3. Disaster Management	9 137	12 363	13 817	53 156	53 156	55 492	58 262	62 925	67 406
4. Municipal Infrastructure	1 827	7 722	11 013	12 144	19 961	19 961	16 526	14 600	15 482
Total payments and estimates	25 097	28 239	31 423	77 116	83 116	83 116	81 396	84 595	90 367

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	25 097	28 239	30 423	48 316	54 316	54 316	55 397	58 539	62 800
Compensation of employees	23 040	19 355	26 249	28 871	28 871	30 088	30 315	34 060	36 866
Goods and services	2 057	8 884	4 174	19 445	25 445	24 228	25 081	24 479	25 934
Transfers and subsidies to:			1 000	2 000	2 000	2 000	2 000		
Provinces and municipalities			1 000	2 000	2 000	2 000	2 000		
Payments for capital assets				26 800	26 800	26 800	24 000	26 056	27 567
Buildings and other fixed structures							8 000	9 000	9 522
Machinery and equipment				26 800	26 800	26 800	16 000	17 056	18 045
Payments for financial assets									
Total economic classification	25 097	28 239	31 423	77 116	83 116	83 116	81 396	84 595	90 367

The audited actual spending for the three year period 2012/13 to 2014/15 increased by R6 million from R25 million in 2012/13 to a total of R31 million for 2014/15 financial year. The programme allocation increases significantly from R77 million in 2015/16, then increasing to R81 million in 2016/17 and to R90 million 2018/19 to cater for the renovation of the procured PDMC building, procurement of equipment for the leasing of the building over the period of two years in line with the transformation of state and governance, IDP coordination within municipalities and installation of geysers for communities in targeted municipalities. The programme in its allocation for the coming year, will facilitate the implementation of water conservation and water demand management strategy to reduce water losses by 3.7% in the coming financial year with the implementation of water and sanitation plan. Included in this allocation is the compliance to section 36 and 50 of the Disaster Management Act in compiling, printing and submission of the annual report on all PDMC activities. Disaster Management awareness campaigns at the cost of R2 million, will be implemented in collaboration with municipalities and include public education sessions, while ensuring that the centre complies with disaster management legislative requirements. This will also cater for the appointment of new employees, in line with the newly approved structure of the department, as this represents the core function.

Land Management sub-programme allocation amounts to R6 million in 2015/16 and decreases to R675 thousand over the 2016 MTEF. This is due to the on-going transfer of properties to beneficiaries and the vesting of properties in the state. This process is longer than expected as only the Minister of Land Affairs can authorise vesting of properties. This increase is also due to the disposal of redundant properties on the land asset register and the allocation of title deeds.

Integrated Development planning sub-programme allocation increases from R6 million in 2015/16 to R7 million in the outer year of the 2016 MTEF. The allocation will be used for IDP education and training, the roll out of the IDP framework, inter-governmental IDP engagements and municipal analysis and the MEC commenting process to be conducted by the Department in various municipalities. The slight additional funding request on this sub-programme is aimed at ensuring the successful implementation of the inter-governmental planning roadmap to ensure the alignment of IDPs with the NDP and the Gauteng 2055 vision, which is in line with transformation of state and governance. This budget will also include the IDP

engagements and education in all communities, including the continuous roll out of the IDP framework.

The Sub-Programme Disaster Management allocation increased from R53 million in 2015/16 to R58 million in 2016/17 to establish the new PDMC. The increase over the 2016 MTEF to R67 million is attributed to the fact that the Department will be leasing a centre for a year and liaising with municipalities on disaster issues as part of Pillar 4: Transformation of state and governance. The increase will be part of the implementation of the new PDMC, including the maintenance and the coordination of its structures to ensure a link with the municipalities. Included in this allocation is the compliance to section 36 and 50 of the Disaster Management Act in compiling, printing and submission of the annual report on all PDMC activities. Disaster Management awareness campaigns at the cost of R2 million, in collaboration with municipalities, including public education sessions. Included in the allocation is to ensure that the Department complies with disaster management legislative requirements on response and relief.

The sub-programme Municipal Infrastructure allocation grows marginally from R12 million in 2015/16 to R15 million in 2018/19. The allocation for this sub-programme is prioritised for increased interventions in water conservation and water demand management which will be implemented in Lesedi and Mogale, and the extension to other municipalities including Emfuleni and Westonaria. The budget caters for the continued review of sector plans which is a legislative requirement in terms of the Water Act and the Municipal Systems Act and informs the Gauteng Integrated Infrastructure Master Plan initiated by the GPC. The allocation to the sub-programme also relates to the development of the electricity loss management strategy and the database of alternative/efficient energy projects in the province, in line with transformation of state and governance. The department received a conditional grant for expanded public works programme (EPWP) amounting to R2 million to support job creation in communities. The programme in its allocation for the coming year, will facilitate the implementation of water conservation and water demand management strategy to reduce water losses by 3.7 per cent in the coming financial year, with the implementation of the water and sanitation plan.

Compensation of employees increases from R26 million in 2014/15 to R29 million in 2015/16 and R37 million over the MTEF as a result of expected filling of OSD positions within the unit. Over the 2016 MTEF, the increases are to supplement cost of living increases in the wage agreements. This will also cater for the appointment of new employees, in line with the newly approved structure of the department, as this programme represents the core functions performed by the department.

Goods and Services: there is a significant increase from R4 million in 2014/15 to R19 million in 2015/16. The budget increases to R26 million over the 2016 MTEF. The growth is due to the gradual establishment of the new PDMC; the connection of free basic services to registered indigent communities; the vesting and transfer of properties to beneficiaries; the review and integration of municipal IDPs; implementation of water conservation and water demand management in four targeted municipalities. The increase in allocation further provides for continuous deployment of engineers to municipalities for technical support. The installation of geysers has become a cost driver for this sub-programme. The coming year will facilitate the implementation of water conservation and water demand management strategy to reduce water losses by 3.7 per cent with the implementation of the water and sanitation plan. Included in the allocation are funds to ensure that the department complies with disaster management legislative requirements on response and relief. Funds are allocated to ensure compliance to section 36 and 50 of the Disaster Management Act in compiling, printing and submission of the annual report on all PDMC activities. Funds amounting to R2 million have also been allocated for Disaster Management awareness in collaboration with municipalities, including public education sessions.

Payments for capital assets allocation reduces from R27 million in 2015/16 financial year to R24 million in 2016/17. The funds allocated for the purchase of PDMC have been reallocated to goods and services for the leasing of the PDMC. The allocation for the outer year of the MTEF, amounts to R18 million and will be used for maintenance of equipment for the centre.

SERVICE DELIVERY MEASURES

PROGRAMME 3: DEVELOPMENT AND PLANNING

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of municipalities with legally compliant IDPs	12	12	12
Technical Steering Committee Engagements with Gauteng sector departments	3	3	3
Participants receiving training on IDP.	100	150	150
State of IDPs report	1	1	1
Number of municipalities participating in the IDP analysis and receiving MEC comments	12	12	12
Number of municipalities assessed against service delivery benchmarks	12	12	12
Number of functional coordinating structures for infrastructure development and service delivery.	3	3	3
Number of municipalities implementing the Gauteng water and sanitation management plan.	10	10	10
Number of municipalities supported with service delivery programmes.	7	7	7
Number of municipalities supported to implement indigent policies (Sub-outcome 1, Action 6).	10	10	10
% of indigent Households with improved access to basic electricity services.	92%	92%	95%

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of Municipalities with Electricity Loss Management Plans	Facilitate and monitor the implementation of the electricity loss management strategy.	Facilitate and monitor the implementation of the electricity loss management strategy.	Facilitate and monitor the implementation of the electricity loss management strategy.
Number of functional municipal disaster management centres	5	5	5

PROGRAMME 4: TRADITIONAL INSTITUTIONAL DEVELOPMENT

Programme description

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

The key performance areas are:

- Traditional Institutional Administration;
- Traditional Resource Administration;
- Rural Development Facilitation; and
- Traditional Land Administration;
- To facilitate the devolution of powers and functions to ensure stable local government and traditional leadership;

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Traditional Institution Administration	1 596	5 061	3 888	4 081	4 051	4 139	4 851	6 848	7 245
2. Traditional Resource Administration	1 481	436	1 059	1 687	1 377	1 289	4 206	1 660	1 579
3. Rural Development Facilitation	300	72		688	411	411	410	552	555
4. Traditional Land Administration	389	454	1 560	792	1 409	1 409	947	2 004	2 036
Total payments and estimates	3 766	6 023	6 507	7 248	7 248	7 248	10 414	11 064	11 415

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	3 766	6 023	6 507	7 248	7 248	7 248	10 414	11 064	11 415
Compensation of employees	3 280	3 890	4 885	4 948	4 948	4 860	5 195	6 766	6 867
Goods and services	486	2 133	1 622	2 300	2 300	2 388	5 219	4 298	4 547
Transfers and subsidies to:									
Total economic classification	3 766	6 023	6 507	7 248	7 248	7 248	10 414	11 064	11 415

The budget for the programme remained constant at R7 million in 2014/15 and 2015/16 before increasing to R10 million in 2016/17 and to R11 million in 2018/19. This increase is attributed to the reprioritisation of functions from Programme one to programme four, to align the programmes with functions which will not affect the performance of the programme. This increase is attributed to the expected National Traditional Bill still to be passed by Parliament which recognises Khoisan leaders as traditional leaders. The increase is for statutory payments to tribal authorities by the department to assist them to function effectively, meet their mandate to the communities and enable the Department to finance the Kings' commemorations. The allocated budget will also meet the obligations and needs of the tribal authorities, intergovernmental relations, and filling vacant positions where necessary to the functioning of intergovernmental relations (IGR). This programme supports the transformation of the state and governance.

The allocation for the sub-programme Traditional Institutional Administration remained constant at R4 million between the 2014/15 and 2015/16 and increases to R5 million in 2016/17 and to R7 million in 2018/19. This allocation is attributed to the increase in expenses for traditional leadership including remuneration of traditional leaders and filling of critical vacancies within the directorate. In this allocation, the department will ensure that Traditional Leaders and Traditional Councils are provided and fully equipped with offices and the institution will be supported to participate in the business and programmes initiated by the House of Traditional Leadership, the Department of Traditional Affairs, as well as activities and council meetings of the City of Tshwane. This will also have the support of rural development which forms part of the National Development Plan and articulates the need for capacity development of rural communities through training and enhancing the role of the institution.

The allocation for this sub-programme Traditional Resource Administration the allocation for 2015/16 amounts to R4 million and remains constant at R2 million over the 2016 MTEF period. This relates to Pillar 4, which is transformation of state and governance. Included in the budget over the MTEF will be an administration and functioning of the amalgamated municipalities after the coming local government elections. This budget will also include conclusion of the framework on inter-governmental relations (IGR) within municipalities and traditional leadership structures.

The sub-programme Rural Development Facilitation: In 2015/16 the sub-programme receives a substantial increase from the previous years as a result of the maintenance of the new vehicles procured during the previous financial year. The increase in allocation over the MTEF also caters for the running costs of these vehicles.

The expenditure and allocation on this sub-programme's budget remains constant at R1 million for 2015/16 and for all the years of the 2016 MTEF. The allocation is used mainly for capacity building programmes in traditional leadership and the development of women within tribal communities. The funding will be utilised to continuously integrate the traditional leaders into the mainstream of the municipal councils. The allocation to this sub-programme has increased slightly, as a result of the increased intake of women.

Compensation of employees' allocation increased to R5 million for 2015/16 and remains constant at R7 million for the 2016 MTEF. This is due to a slight increase of remuneration of traditional chiefs and their staff members, including the increase in departmental staff members as a result of wage agreements.

The allocation of goods and services increases from R2 million in 2015/16 to R5 million in 2016/17, due to reprioritisation of functions from programme two to programme four, to align the programmes with functions which will not affect the performance of the programme. It decreases to R4 million in 2017/18 and 2018/19 will carry through costs of the programme which are funded in the subsequent years.

SERVICE DELIVERY MEASURES

PROGRAMME 4: TRADITIONAL INSTITUTIONAL DEVELOPMENT

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of reports on the implementation of Presidential Proclamation in terms of the Remuneration of Public Office Bearers Act (POBA)	1	1	1
Number of Traditional Councils complying to legislative prescripts	2	2	2

9 OTHER PROGRAMME INFORMATION

9.1. Personnel numbers and costs

TABLE 7.14 PERSONNEL NUMBERS AND COSTS: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Personnel numbers	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	As at 31 March 2019
1. Administration	115	114	114	154	154	154	154
2. Local Governance	598	598	598	472	472	472	472
3. Development Planning	61	61	61	51	51	51	51
4. Traditional Institutional Management	8	10	10	11	11	11	11
Total provincial personnel numbers	782	783	783	688	688	688	688
Total provincial personnel cost (R thousand)	182 711	200 300	222 104	254 395	281 299	302 359	319 896
Unit cost (R thousand)	234	256	284	370	409	439	465

TABLE 7.15: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS

R thousands	Actual				Revised estimate				Medium-term expenditure estimate				Average annual growth over MTEF		
	2012/13		2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19
	Personnel numbers¹	Costs	Personnel numbers¹	Costs	Personnel numbers¹	Costs	Additional posts	Personnel numbers¹	Costs	Personnel numbers¹	Costs	Personnel numbers¹	Costs	Personnel growth rate	% Costs of Total
Salary level															
1 – 6	552		551		551	105 982	442	442	130 205	442	135 233	442	143 571		10.6%
7 – 10	160		159		159	74 957	152	152	69 738	152	82 042	152	81 707		2.9%
11 – 12	46		50		50	35 459	49	49	39 406	49	41 472	49	46 194		9.2%
13 – 16	24		23		23	37 805	28	28	41 758	28	43 419	28	48 232		8.5%
Other						192	17	17	192	17	193	17	192		0.1%
Total	782		783		783	254 395	688	688	281 299	688	302 359	688	319 896		7.9%
Programme															100.0%
1. Administration	115	25 799	114	46 211	114	53 277	154	154	79 843	154	83 441	154	88 281		5.4%
2. Local Governance	598	130 592	598	130 844	598	137 693	472	472	165 946	472	178 092	472	187 882		9.2%
3. Development Planning	61	23 040	61	19 355	61	26 249	51	51	30 315	51	34 060	51	36 866		7.0%
4. Traditional Institutional Management	8	3 280	10	3 890	10	4 885	11	11	5 195	11	6 766	11	6 867		12.2%
Direct charges															
Total	782	182 711	783	200 300	783	222 104	688	688	281 299	688	302 359	688	319 896		7.9%
															100.0%

The department is in the process of finalising its service delivery model and organisational structure as it is now a stand-alone entity. Critical vacant positions are to be filled in the next financial year to ensure that all core functions and support functioned appropriately. Personnel numbers of the department may increase as placement of staff is not finalised. The difference between the current establishment and PERSAL is due to the fact that the department is still paying compensation to employees in the Department of Human Settlement.

9.2. Training

TABLE 7.16: PAYMENTS ON TRAINING: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Administration	67	1 683	6 461	5 502	5 502	5 502	7 116	6 990	7 574
Subsistence and travel	67								
Payments on tuition		1 683	6 461	5 502	5 502	5 502	7 116	6 990	7 574
Other									
2. Local Governance	4 467	1 000	1 100	1 100	1 100	1 100	1 080	1 134	1 200
Subsistence and travel									
Payments on tuition	67	1 000	1 100	1 100	1 100	1 100	1 080	1 134	1 200
Other	4 400								
3. Development Planning	4 400	2 400	3 160	2 660	2 660	2 660	2 660	2 793	2 955
Subsistence and travel									
Payments on tuition	4 400	2 400	3 160	2 660	2 660	2 660	2 660	2 793	2 955
Other									
4. Traditional Institutional Management	40	600	780	1 380	1 380	1 380	1 080	1 134	1 200
Subsistence and travel									
Payments on tuition	40	600	780	1 380	1 380	1 380	1 080	1 134	1 200
Other									
Total payments on training	8 974	5 683	11 501	10 642	10 642	10 642	11 936	12 051	12 929

TABLE 7.17: INFORMATION ON TRAINING: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Number of personnel trained	282	120	120	120	120	120	120	126	133
of which									
Male	94	40	40	40	40	40	40	42	44
Female	188	80	80	80	80	80	80	84	89
Number of training opportunities	47	68	68	68	68	68	68	71	76
of which									
Tertiary	24	50	50	50	50	50	50	53	56
Workshops	12	16	16	16	16	16	16	17	18
Seminars	2	2	2	2	2	2	2	2	2
Other	9								
Number of bursaries offered	24	50	50	50	50	50	50	53	56
Number of interns appointed	33	10	10	10	10	10	10	11	11
Number of learnerships appointed	5								
Number of days spent on training	19	100	100	100	100	100	100	105	111

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

9.3 RECONCILIATION OF STRUCTURAL CHANGES

N/A

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

TABLE 7.18: SPECIFICATION OF RECEIPTS: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Tax receipts									
Sales of goods and services other than capital assets	360	130	325	141	141	295	148	156	165
Sale of goods and services produced by department (excluding capital assets)	360	130	325	141	141	295	148	156	165
Sales by market establishments	360	130	325	141	141	295	148	156	165
Interest, dividends and rent on land	25	25	6	26	26	16	27	29	30
Interest	25	25	6	26	26	16	27	29	30
Transactions in financial assets and liabilities	56	300	159	314	314	170	331	347	367
Total departmental receipts	441	455	490	481	481	481	506	532	563

TABLE 17.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	35 394	73 989	78 967	119 756	109 943	109 321	117 704	121 520	129 988
Compensation of employees	25 799	46 211	53 277	86 206	76 156	75 331	79 842	83 442	88 281
Salaries and wages	22 441	46 211	47 236	74 808	66 100	64 686	68 976	71 760	75 922
Social contributions	3 358		6 041	11 398	10 056	10 645	10 866	11 682	12 359
Goods and services	9 595	27 778	25 690	33 550	33 787	33 990	37 862	38 078	41 707
Administrative fees	10	40	39	92	84	99	75	39	32
Advertising	396	1 226	1 712	460	1 260	1 524	1 132	525	556
Minor Assets	163	502	366	115	223	167	527	359	380
Audit cost: External	31	399	2 198	3 199	3 199	3 657	3 458	3 840	4 063
Bursaries: Employees	25	254	374	864	464	175	866	909	962
Catering: Departmental activities	237	302	607	1 187	757	698	1 034	717	759
Communication (G&S)	2 470	1 506	3 998	2 000	2 600	3 392	2 796	4 286	4 534
Computer services	51	2 405	3 268	3 230	3 410	588	4 312	3 621	5 287
Consultants and professional services: Business and advisory services	1 390	22	386	1 000	660	529	422	443	468
Consultants and professional services: Legal costs	1	100	681	570	570	245	533	559	592
Contractors	329	257	802	3 300	2 706	2 221	542	511	540
Agency and support / outsourced services	2	8 908	883	411	1 192	2 224	1 637	631	667
Entertainment	36	93		20	170	170	21	22	23
Fleet services (including government motor transport)		1 510	1 934	2 200	5 960	5 837	6 410	7 042	8 691
Housing									
Inventory: Fuel, oil and gas	1								
Inventory: Materials and supplies		16	5	800	20				
Inventory: Other supplies	4								
Consumable supplies	194	2 176	1 999	3 440	2 790	3 502	3 083	3 910	4 136
Consumable: Stationery, printing and office supplies	782	2 223	1 654	1 482	1 732	2 564	1 924	1 157	664
Operating leases	564		1 211	2 100	700	268	841	2 668	2 823
Property payments	427		71	500	50	1 061	959	1 036	1 040
Transport provided: Departmental activity									
Travel and subsistence	1 775	410	1 086	2 130	1 998	1 831	1 446	1 873	1 483
Training and development	242	2 419	612	2 054	991	1 553	2 879	2 395	2 533
Operating payments	121	1	91	1 310	324	158	390	68	47
Venues and facilities	344	3 009	1 713	1 086	1 927	1 527	2 578	1 467	1 428
Transfers and subsidies	354	2 485	1 835	2 530	2 167	2 167	2 053	1 999	2 115
Non-profit institutions									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Households	354	2 485	1 835	2 530	2 167	2 167	2 053	1 999	2 115
Social benefits				330	330	2 167	30	30	32
Other transfers to households	354	2 485	1 835	2 200	1 837		2 023	1 969	2 083
Payments for capital assets	1 257	4 263	1 879	3 346	3 346	3 346	4 105	5 571	5 894
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	830	4 263	1 865	3 346	3 346	3 346	4 105	5 571	5 894
Transport equipment						253			
Other machinery and equipment	830	4 263	1 865	3 346	3 346	3 093	4 105	5 571	5 894
Software and other intangible assets	427		14						
Payments for financial assets	202	29	138		126	148			
Total economic classification	37 207	80 766	82 819	125 632	115 582	114 982	123 862	129 090	137 997

TABLE 17.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: LOCAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	142 685	158 629	158 712	191 476	191 068	191 668	198 090	210 221	221 576
Compensation of employees	130 592	130 844	137 693	146 457	144 444	144 116	165 946	178 092	187 882
Salaries and wages	114 508	130 844	116 948	127 261	120 633	120 860	142 714	153 120	161 128
Social contributions	16 084		20 745	19 196	23 811	23 256	23 233	24 972	26 754
Goods and services	12 093	27 785	21 019	45 019	46 624	47 552	32 143	32 129	33 694
Administrative fees	12	176	69	25	202	148	49	80	57
Advertising	93	1 058	102	3 825	2 933	4 018	994	886	919
Minor Assets		15	31	338	345	237	184	166	175
Audit cost: External	935		1 452		15	15	15		
Bursaries: Employees				65	65	65			
Catering: Departmental activities	8	87	210	556	626	2 276	428	344	364
Communication (G&S)	3 856	3 488	4 796	4 500	5 786	6 017	4 725	4 961	5 568
Computer services		547					320	350	370
Consultants and professional services: Business and advisory services		298		597	197		2 753	1 391	1 471
Contractors		194	4						
Agency and support / outsourced services	3 003	13 205	2 821	18 512	20 798	19 430	9 450	10 599	11 699
Entertainment		52	2						
Consumable supplies		10		222	44	150	233	257	302
Consumable: Stationery, printing and office supplies	32	535	576	1 174	824	1 083	545	612	648
Travel and subsistence	1 018	2 228	3 134	2 880	2 643	2 369	2 764	2 154	1 649
Training and development	2 500	3 479	5 483	7 896	7 238	7 845	7 003	7 568	8 187
Operating payments	73	80	568	44	791	406	237	264	197
Venues and facilities	563	2 333	1 771	4 385	4 117	3 493	2 444	2 498	2 088
Transfers and subsidies	15		4 000	5 500	9 563	9 563	5 000	5 250	5 555
Provinces and municipalities			4 000	5 500	9 563	9 563	5 000	5 250	5 555
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities			4 000	5 500	9 563	9 563	5 000	5 250	5 555
Municipalities			4 000	5 500	9 563	9 563	5 000	5 250	5 555
Households	15								
Social benefits	15								
Other transfers to households									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Payments for capital assets									1
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment									1
Transport equipment									
Other machinery and equipment									1
Payments for financial assets									
Total economic classification	142 700	158 629	162 712	196 976	200 631	201 231	203 090	215 472	227 132

TABLE 7.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: DEVELOPMENT PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	25 097	28 239	30 423	48 316	54 316	54 316	55 397	58 539	62 800
Compensation of employees	23 040	19 355	26 249	28 871	28 871	30 088	30 315	34 060	36 866
Salaries and wages	20 086	19 355	22 965	25 616	25 216	26 458	26 072	29 291	31 821
Social contributions	2 954		3 284	3 255	3 655	3 630	4 244	4 769	5 045
Goods and services	2 057	8 884	4 174	19 445	25 445	24 228	25 081	24 479	25 934
Administrative fees	2	30	17	78	78	124	49	18	20
Advertising	200	2 476	272	826	1 537	2 569	1 364	1 747	1 849
Minor Assets			30	229	229	55	322	128	136
Catering: Departmental activities	235	336	624	1 471	1 026	1 602	1 185	854	368
Communication (G&S)							1 200		
Computer services	90	570	124	600	289	335	1 000	1 034	1 094
Consultants and professional services: Business and advisory services				222	72	72	2 234	245	260
Consultants and professional services: Legal costs	8			222	37	37	234	245	260
Contractors		15		386	386		1 376	395	418
Agency and support / outsourced services		1 450		8 565	14 815	12 257	1 848	177	480
Entertainment								21	22
Fleet services (including government motor transport)							1 500		
Inventory: Clothing material and accessories		56							
Consumable supplies		618	587	2 398	2 263	3 799	451	2 573	2 723
Consumable: Stationery, printing and office supplies	345		1	502	602	268	321	526	557
Operating leases	151	400					6 000	11 500	12 167
Property payments	1	18	481	761	711	662	1 676	2 150	2 275
Transport provided: Departmental activity									535
Travel and subsistence	658	790	686	1 621	1 621	1 402	1 849	793	839
Training and development	148	1 124	254	699	699	490	1 706	1 267	1 340
Operating payments	63	92	136	98	313	91	78	82	87
Venues and facilities	156	909	962	767	767	465	688	722	506
Transfers and subsidies			1 000	2 000	2 000	2 000	2 000		
Provinces and municipalities			1 000	2 000	2 000	2 000	2 000		
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities			1 000	2 000	2 000	2 000	2 000		
Municipalities			1 000	2 000	2 000	2 000	2 000		
Payments for capital assets				26 800	26 800	26 800	24 000	26 056	27 567
Buildings and other fixed structures							8 000	9 000	9 522

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Buildings							8 000	9 000	9 522
Other fixed structures									
Machinery and equipment				26 800	26 800	26 800	16 000	17 056	18 045
Transport equipment				1 000	1 000	372	1 925	2 021	2 138
Other machinery and equipment				25 800	25 800	26 428	14 075	15 035	15 907
Payments for financial assets									
Total economic classification	25 097	28 239	31 423	77 116	83 116	83 116	81 396	84 595	90 367

TABLE 7.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRADITIONAL INSTITUTIONAL MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	3 766	6 023	6 507	7 248	7 248	7 248	10 414	11 064	11 415
Compensation of employees	3 280	3 890	4 885	4 948	4 948	4 860	5 195	6 766	6 867
Salaries and wages	2 825	3 890	4 331	4 232	4 232	4 153	4 468	5 814	5 906
Social contributions	455		554	716	716	707	727	951	961
Goods and services	486	2 133	1 622	2 300	2 300	2 388	5 219	4 298	4 547
Administrative fees		22	14	40	40	40	40	42	45
Advertising		3							
Minor Assets		5	9	30	30	30	40	50	52
Catering: Departmental activities		89	6	150	150	150	150	157	167
Agency and support / outsourced services		989	605	744	744	744	3 529	1 709	1 951
Consumable supplies			21	1	1	1	1	1	1
Consumable: Stationery, printing and office supplies	82	48	42	365	365	365	380	399	423
Travel and subsistence	22	298	134	470	470	470	331	612	647
Training and development		221	78	200	200	200	348	822	869
Operating payments	13								
Venues and facilities	369	458	713	300	300	388	400	506	392
Transfers and subsidies									
Payments for financial assets									
Total economic classification	3 766	6 023	6 507	7 248	7 248	7 248	10 414	11 064	11 415