

VOTE 1

Office of the Premier

Operational budget	R 656 562 132
Remuneration of the Premier	R 2 081 868 ¹
Total amount to be appropriated	R 658 644 000
Responsible Executive Authority	The Premier
Administering department	Office of the Premier
Accounting officer	Director-General: Office of the Premier

1. Overview

Vision

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

Mission statement

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

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

Strategic objectives

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

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

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

- To realise the existence of functional public policy and strategic planning management systems and processes for the provincial government.
- To achieve co-ordinated provincial policies, strategies and programmes.
- To ensure the existence of governance conditions conducive to respect for human rights, promotion of science and technology, and conservation and management of cultural heritage resources.

¹ At the time of going to print, the proclamation determining the 2015 salary adjustment relating to office bearers had not been signed, hence this amount remains unchanged from the 2015/16 EPRE.

- To realise enhanced government communication and governance, human resources development, state law advisory services and service delivery in and by the provincial administration.
- To have in place co-ordinated and aligned policies and plans of the three spheres of government and foreign governments and agencies.
- To achieve effectively monitored and evaluated government policies and programmes.
- To enhance and promote the status of the Zulu Monarch and to establish the necessary institutional arrangements in support of the Zulu Monarchy and members of the Royal family.

Core functions

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

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

Legislative mandate

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

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

2. Review of the 2015/16 financial year

Section 2 provides a review of 2015/16, outlining the main achievements and progress made by the department during the year, as well as giving a brief discussion on challenges and new developments.

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

Provincial Planning Commission (PPC)

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

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

International relations

The OTP was involved in strengthening international relations by promoting KZN as a preferred destination for trade, investment and tourism with the intention of portraying the province as the gateway to Africa and the world. Extensive liaison was carried out in collaboration with provincial departments, national departments, the diplomatic corps and global stakeholders to promote KZN in the international arena. Some noteworthy activities in 2015/16 included:

- The compilation and endorsement of a Provincial International Relations Strategy to serve as a blue print for the province's international engagements, while ensuring alignment to the strategic objectives of the PGDP.
- The Premier signed a co-operation arrangement with the State of Maryland in the USA. The arrangement focused on economic development, tourism promotion, agricultural development and agri-business, education and training exchange programmes, social development exchange programmes, port and maritime exchanges, heritage and cultural preservation exchange programmes and sport exchange programmes.
- The Cuban Five delegation was hosted and entailed a full day programme, which involved various historic site visits, a political lecture and a dinner banquet in the evening.
- The Premier hosted a delegation comprising investors from the Russian Federation, Czech Republic and the Federal Republic of Germany. The delegation expressed an interest in consummating a trade and Foreign Direct Investment (FDI) partnership in relation to a project to build and establish an aircraft assembly and manufacturing plant in KZN. Feasibility studies and project plans are underway in order to identify a suitable site for such an operation.
- A friendly co-operation arrangement was also signed with the Vice Governor of Guangdong Province (China). The agreement mainly focusses on economic and maritime exchanges with the view to exploring other possible areas for co-operation.

- Several diplomatic corps were hosted upon their request, such as the Ambassadors of Russia, Germany, Singapore, Comoro Islands, Sao Tomè and Príncipe, etc. Hosting members of the diplomatic and consular corps is aligned to the province's proposed strategy to forge relations with global partners in order to strategically place KZN on the map.

Monitoring and evaluation

The OTP worked closely with Provincial Treasury in building capacity in order to take over the co-ordination of the Quarterly Performance Reporting (QPR) of all provincial departments in line with this function moving from National Treasury to the Department of Planning, Monitoring and Evaluation (DPME) at a national level. The OTP's QPR was automated in the Provincial Nerve Centre, which now has a fully functional geographic information system, and many reports and maps were compiled. It is envisaged that this process will strengthen responsibility and accountability by the line managers in the reliability of data and evidence provided. The unit prepared quarterly monitoring reports in respect of the PGDP.

The OTP was successful in co-ordinating the implementation of the Management Performance Assessment Tool (MPAT) in the province, as well as within OTP. The self-assessment scores of departments improved significantly when compared to previous years.

Unannounced front-line service delivery monitoring visits were undertaken across various facilities in the province and the Premier's Service Excellence Awards were held. The Provincial Batho Pele forum was active in monitoring service delivery and improvement plans of all departments. The unit also assisted all departments and public entities in the development of their Service Delivery Improvement Plans.

The OTP co-ordinated inputs for the first and second draft APPs for all provincial departments and public entities and worked closely with DPME to capacitate newly appointed strategic planners to facilitate the technical assessments of departments' and entities' annual performance plans.

Protection of human rights

A programme was undertaken to promote democracy by protecting and generating respect for human rights through facilitating Gender, Disability, Children and Senior Citizens (GDCSC) human rights awareness and education campaigns, co-ordinating human rights issues and ensuring compliance with constitutional mandates. The OTP worked closely with all departments, municipalities, wards, SASSA, as well as civil society structures in a programme addressing human rights and gender equality, including programmes on food security, income generation, active ageing, behavioural change and inter-generational dialogues. Most war-rooms have capacitated focal persons to attend to issues of human rights violations, and the food security projects assisted a number of families. These programmes are aimed at achieving some of government's main goals, such as equality and ensuring the quality of life of vulnerable groups. The Human Rights Education Campaign was driven successfully in all 11 districts, as well as the eThekwin Metro.

Public service transformation

The OTP convened various strategic Human Resource Forums from all Human Resource Management and Development directorates in provincial departments. These forums were effective learning platforms utilised to share best practices and knowledge among peers. In the main, such forums were held to focus on new developments in the following areas: Integrated Human Resource Management, PERSAL Management for all PERSAL users in the province, labour relations, organisational development, advisory services and employee health and wellness.

Identity and heritage of the province

Ten heritage events were organised to profile the previously marginalised heritage resources, such as the unveiling of the monuments of Dr Margaret Mncadi at Ixopo, Inkosi Langalibalele of Emahlabini in Drakensberg, Reverend Mthembu, the first black priest at Nqutu, Bishop Alpheus Zulu, the first black bishop in Southern Africa and Inkosi Tembe of Emanguzi. Significant events were also held, such as Deepavali/Diwali celebrations, the Heritage Day celebration at Bergville, as well as the King Shaka commemoration at KwaDukuza. Unfortunately, the eThekwin Metro has not yet been able to construct and unveil the monument in respect of the 150-year commemoration relating to the arrival of Indian

indentured labourers in South Africa. The District Heritage Forum structures were fully functional in eight of the 11 districts, with the remaining districts anticipated to be functional in 2016/17. Amafa aKwaZulu-Natali (Amafa) also continued to play a pivotal regulatory role in the heritage of KZN.

Operation Sukuma Sakhe (OSS)

OSS is an integrated service delivery model adopted by KZN to enhance service delivery to households and communities. Since launching OSS, the province has placed great emphasis on its strengthening to ensure it meets the service delivery obligations of households and communities within the province.

The OTP hosted Gauteng, Eastern Cape, Mpumalanga, Free State, Limpopo, DPSA, and the Presidency on a benchmarking study tour on OSS. In November 2015, OSS was a finalist in the DPSA Batho Pele Best Implemented Programme Awards and it was presented as best practice to the Premiers' and Deputy President at the SANAC meeting on 7 November 2015. The OSS model was also nominated at the 2015 Public Sector Innovation Awards.

His Majesty, the King's activities

His Majesty, the King undertook the following activities, among others:

- Participated in government events and ceremonies, such as the opening of the KZN Provincial Legislature, opening of the Traditional House, as well as the inauguration ceremonies of the President of the Republic of South Africa and the Premier.
- Hosted various traditional events, such as the Reed Dance, First Fruits ceremony (*Umkhosi Woselwa*), *Amaganu* ceremonies, *Umkhosi woMama*, etc.
- Installed five *Amakhosi* statutorily and in terms of custom.
- On issues of recruitment and selection, the OTP absorbed 106 employees from the former Royal Household department as of 1 April 2015, in line with the proclamation to amalgamate the two departments.

The Royal Household Trust (RHT)

The RHT was moved to the OTP with effect from 1 April 2015 from the former DRH. The support provided from 2015/16 was to enable the RHT to render administrative support pertaining to the activities of His Majesty, the activities of the Queens and other members of the Royal Household and the administration and payment of the Queens' remuneration (stipends, allowances and benefits). The RHT is also responsible for the administration and management of Royal palaces and grazing lands, as well as the administration and management of the payment of remuneration, allowances and subsistence and travel expenses and claims of Trustees and staff, and toward the welfare of the Princes and Princesses. The transfer of 106 staff from the former DRH to the OTP, as well as the review of the Chief Directorate's structure, were finalised in November 2015.

In 2015/16, the Infrastructure unit of Provincial Treasury conducted an infrastructure condition assessment at four of the Royal Palaces, while simultaneously contracting the provincial Infrastructure Crack Team to assess potable water supply for four Palaces. The Infrastructure Crack Team scoped the work to be done at the Khangela and Enyokeni Palaces, and drafted the Bill of Quantities for Provincial Treasury to process the appointment of a service provider for the maintenance, upgrade and water reticulation at these palaces.

Amafa aKwaZulu-Natali (Amafa)

Amafa continued with its legislative mandate of assessing and issuing permit applications for alterations, repairs and demolition of qualifying built environment structures and archaeological-related work.

Maintenance and project work at sites of historic significance were undertaken so as to preserve and/or conserve the existing heritage fabric of the province. Such work included the following:

- The upgrades to the site at KwaDukuza, where, with the assistance of the Ilembe District Municipality, various renovations and improvements were undertaken to the Interpretative Centre, as well as to certain external areas.
- The installation of self-guided trail stations and refurbishment of the routes for three sites, namely, Isandlwana, Shiyane (Rorkes Drift) and the uMgungundlovu Multi-Media Centre. This will allow

visitors to these sites to traverse walking-trails that highlight points-of-interest and provide information regarding the historical significance of those points along these routes. In total, Amafa will install approximately 28 information stations, as well as include new guide pamphlets for each of these centres.

- In an effort to accumulate and preserve knowledge regarding the history of KZN, Amafa visited 22 schools and undertook 14 road shows in order to create awareness as to the historical significance attached to the disciplines of built-environment, archaeology and rock art.

In the 2015 State of the Province Address, the Premier announced that Amafa and the Heritage unit would amalgamate and form a Schedule 3 entity and move to the Department of Arts and Culture. The OTP then started looking at ways to merge Amafa and the Heritage unit in 2015/16. It is envisaged that the merger will take place in 2016/17, once the legislative processes have been completed.

3. Outlook for the 2016/17 financial year

Section 3 looks at the key focus areas of 2016/17, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

The bulk of the department's budget allocation is for cross-cutting and transversal activities, such as OSS, Luwamba Wellness Centre, Integrity Management, youth, Nerve Centre, support to His Majesty, the King, as well as transfers to its two public entities, Amafa and the RHT. The department's 2016/17 MTEF budget includes funds for capacitating the Integrity Management unit, PEMP operations centre, etc. In 2016/17 and over the medium-term, the OTP will focus on the following priorities:

Provincial Planning Commission (PPC)

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

Policy and research co-ordination

The department will continue to co-ordinate and update the development of a register of public policies and policy instruments and facilitate the co-ordination of policies, research and planning through the relevant forums.

Monitoring and evaluation

The OTP will continue to strengthen the development of the Nerve Centre as the central information and knowledge repository in KZN. The automation of the PGDP Monitoring and Evaluation Framework should increase accessibility of information, accountability and efficiency of AWGs and various other stakeholders. In 2016/17, the OTP will fully take over the QPR function without the assistance of Provincial Treasury.

The Provincial Evaluation Plan and all KZN Departmental Evaluation Plans are to be finalised in 2016/17. It is envisaged that the monitoring and evaluation unit will develop a comprehensive front line service delivery monitoring plan in which departments will play a pivotal role in monitoring and development of improvement plans of their facilities. The functioning and effectiveness of the Provincial Monitoring and Evaluation Forum and Batho Pele Forum is a key priority of the OTP.

International relations

For 2016/17, bilateral relations with KZN's partners, both in the developing and developed world, will continue to be utilised by the province to identify opportunities for political co-operation, climate change initiatives, as well as promoting KZN's socio-economic development. KZN will focus on strengthening economic diplomacy for the promotion of its trade, investment and tourism potential. The main focus of KZN's bilateral diplomacy will be to maintain and enhance sound bilateral political relations, promote trade and investment, intensify co-operation and capacity building in various fields, implement

infrastructure development and promote peace and development. The years ahead will therefore see the international strategy oriented towards not only ensuring KZN's domestic success but also internationally, as a geo-political and economic player at the global level.

Identity and heritage of the province

The Heritage Research Institute, which will amalgamate the Heritage unit in the OTP and Amafa, is currently being established. The process of amalgamation is anticipated to be completed in 2016/17. A new schedule 3 public entity will be formed in this regard. In his 2015 State of the Province Address, the Premier announced that this entity, once formed, would move to its rightful place at the Department of Arts and Culture by 2017/18.

Protection of human rights

The OTP will continue with the human rights programme to ensure that democracy is promoted by the protection of human rights and also to generate respect for these rights, by facilitating an education campaign for government departments and communities. The office will also continue to co-ordinate human rights issues and ensure compliance with constitutional mandates, and the process of forming partnerships with municipalities will be enhanced. The Anti-Rape Campaign roll-out, as a major awareness campaign against rape and other social ills, will gain further momentum. The unit will also continue with the formation of gender forums at district and local municipalities, including the war-rooms, and will also capacitate the existing forums.

The Office of the Ombudsperson will continue with activities aimed at ensuring members of the public have platforms within the state where they can lay their complaints. The office has created a service delivery oriented environment through co-ordinating other Offices of Ombudsperson in the province.

Public service transformation

The Cabinet Lekgotla resolved in February 2015 that the OTP should develop a sound and a well-informed HR strategy for KZN by 2016. Work has already begun through the first phase of research. The second phase and research analysis is scheduled to be completed by March 2016. The provincial Human Resource Development Strategy document is to be completed by December 2016. Meanwhile, construction plans have been drawn but, due to budget cuts as commented on in Section 5.2 below, the department will not be able to continue with the construction of the new Training Academy in Westville.

Operation Sukuma Sakhe (OSS)

The main focus of OSS is to strengthen war-rooms and priority is on five local municipalities regarded as the most poverty stricken, namely Maphumulo, Vulamehlo, uMhlabuyalingana, uMsinga and Nkandla Local Municipalities. The intention is to reach 165 wards in 2016/17 as identified by the PEMP by providing equipment and human resources, capacity building, computers, gadgets and stationery.

His Majesty, the King's activities

The department is responsible for providing administration and auxiliary services to His Majesty, the King. The department is also responsible for His Majesty, the King's personal expenses, such as salary, medical expenses, cell-phone bills, support to all traditional ceremonies and other relevant stakeholders, including public appearances when invited or initiating such engagements. The King will partake in various important ceremonies and traditional functions of the province, such as the opening of the KZN Provincial Legislature, opening of the Traditional House, and hosting various traditional events, such as the Reed Dance, First Fruits ceremony (*Umkhosi Woselwa*), *Amaganu* ceremonies, *Umkhosi woMama*, etc. His Majesty, the King will also continue to install *Amakhosi* statutorily and in terms of custom.

The Royal Household Trust (RHT)

The OTP is the parent department of the RHT and will give support to the RHT. The transfer of staff from OTP to the RHT is currently being investigated and funds will be transferred accordingly. These funds include the remuneration of staff, five Board members, as well as the Queens' expenses, including accommodation. The maintenance of the Royal palaces is the responsibility of the RHT. In addition, the RHT provides for other costs such as tuition fees, transportation and medical expenses for the Royal Family, as well as the Royal farming activities. The RHT is fundamentally also responsible for fundraising and commercialisation of the King's land to meet the huge and complex requirements of royalty and

cultural celebrations, which is core to the Zulu Royal family. The Provincial Infrastructure Crack Team will be tasked to draft further assessments, compile cost estimates and prepare bills of quantities required for the procurement of service providers for the upgrade projects at the Royal Palaces. The Provincial Infrastructure Crack Team will oversee the contract administration and project management. Furthermore, the decrease in 2016/17, as well as the below inflationary growth over the MTEF, is mainly ascribed to the MTEF budget cuts, which the department also implemented against its public entities.

Amafa aKwaZulu-Natali (Amafa)

In an effort to address the difficulties facing Amafa, most notably, the history of resource constraints, the Premier announced during 2015/16, that the intention is to co-ordinate heritage in the province through the amalgamation of Amafa and the Heritage unit within OTP to form the research and heritage institute. This amalgamation seeks to address possible duplication of functions as well as the issues relating to the resource constraints that Amafa faces. In addition to the current mandate, a new bill, which will also include a component dedicated to a research function, is expected to be enacted. The new institution is anticipated to become operational in 2016/17. As mentioned, Amafa will be delisted and a new schedule 3 public entity will be formed, where all Amafa's assets and staff will be transferred. Furthermore, the decrease in 2016/17, as well as the below inflationary growth over the 2016/17 MTEF, is mainly ascribed to the MTEF budget cuts, which the department also implemented against its public entities, as commented on later in the report.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 1.1 gives the sources of funding of Vote 1 over the seven-year period 2012/13 to 2018/19. The table also compares actual and budgeted receipts against actual and budgeted payments. The department receives a provincial allocation in the form of an equitable share. As previously mentioned, following the signing of the proclamation to combine Vote 10: The Royal Household with Vote 1: Office of the Premier, the budget of the Royal Household is now added to Vote 1's budget. The prior years have been adjusted for comparative purposes.

Table 1.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Equitable share	627 773	673 615	675 028	709 214	693 524	693 524	646 869	685 281	729 985
Conditional grants	-	-	-	-	-	-	-	-	-
Total receipts	627 773	673 615	675 028	709 214	693 524	693 524	646 869	685 281	729 985
Total payments	697 795	721 074	722 239	743 214	737 794	737 794	658 644	697 499	742 904
Surplus/(Deficit) before financing	(70 022)	(47 459)	(47 211)	(34 000)	(44 270)	(44 270)	(11 775)	(12 218)	(12 919)
Financing									
of which									
Provincial roll-overs	5 650	8 774	12 994	-	-	-	-	-	-
Provincial cash resources	80 084	93 027	57 090	34 000	44 270	44 270	11 775	12 218	12 919
Surplus/Deficit after financing	15 712	54 342	22 873	-	-	-	-	-	-

The department's budget allocation was increased by R80.084 million in 2012/13 (reflected against provincial cash resources), for various purposes including essential rehabilitation and refurbishments at the Premier's Parkside Residence, stipends in respect of the Youth Ambassadors programme, capital requirements of the Integrity Management unit, the Zimele Developing Community Self-Reliance project (thereafter referred to as Zimele), hosting of the AFCON, LIV Orphanage, etc.

In 2012/13, the department received roll-overs totalling R5.650 million in respect of the following:

- R5.383 million for the rehabilitation, renovation and refurbishment of palaces.
- R267 000 in respect of office furniture and equipment that was ordered during 2011/12, but could not be delivered before financial year-end.

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

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

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

- R7.555 million in respect of Zimele.
- R5 million for the African Renaissance project.
- R31.603 million as a result of the decision by Cabinet to centralise parts of the communications budget under the OTP, with carry-through over the MTEF.
- R6.015 million for the centralisation of external bursaries (Departments of Health and Education were excluded from this process). This is attributed to a Cabinet decision to centralise external bursaries under the OTP, with carry-through over the MTEF.
- R14.234 million for the RTI Commission, being the fee for sittings to finalise the commissioners' report in respect of the people that died while doing physical tests for road traffic officer posts conducted by Department of Transport.
- R5 million for the OSS Diakonia Council of Churches.
- R3 million for spending on OSS initiatives, as identified by the Premier.
- R3.520 million for the launch and roll-out of the Inkululeko Development programme as part of the OSS initiatives.
- R10 million for the African Economic Expansion Summit that was hosted in KZN in March 2014.
- R31.112 million for the running and staffing costs of the Integrity Management unit. Of this, R5.700 million was suspended from the department and allocated back in 2014/15.
- R1.900 million for commemorating the St Helena prisoners of war to celebrate the link between the people of KZN and St Helena, as part of our heritage.
- R1.500 million for the procurement of once-off capital requirements associated with Amafa's turnaround strategy.
- R15.906 million in relation to Madiba's provincial memorial service.
- In line with Cabinet resolutions, the department was allocated funds from the Strategic Cabinet Initiatives Fund held under Vote 6: Provincial Treasury for the following:
 - R5 million for the National Choral Music Awards ceremony.
 - R5 million for the Crown Gospel Awards.
 - R500 000 for the BUNDUMIX Festival.
 - R500 000 for the fourth Annual uThungulu Last Dance Music Festival.

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

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

In 2014/15, the department received additional funding of R62.090 million. This increase was offset by a reduction of R5 million, resulting in a net increase of R57.090 million. This is explained as follows:

- R46.928 million was received for the following:
 - R33.169 million for the Integrity Management unit. In addition, R5.700 million was suspended from 2013/14, also for the Integrity Management unit, as mentioned.
 - An additional R5 million for the OSS Diakonia Council of Churches.
 - Amafa was given R3.059 million to apply for World Heritage status for the Emakhosini Valley.
- R3.136 million was allocated for transfer to Amafa. This amount relates to surplus funds from 2012/13, which Amafa surrendered to the Provincial Revenue Fund, with the understanding that these funds would be allocated back to them in 2014/15 to roll-out new projects.
- R4.226 million was allocated to the department, being the province's contribution to the construction of the Denis Hurley Centre, in Durban.
- R7.800 million in respect of the 20 years of democracy celebrations held on 27 April 2014.
- Offsetting this was a reduction of R5 million, which was specifically and exclusively appropriated funding for security strengthening during the 2014 general elections. These funds were not required by the OTP and were removed from its baseline and returned to the Provincial Revenue Fund.

The department also received roll-overs amounting to R12.994 million in 2014/15 as follows:

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

The 2014/15 budget was under-spent by R22.873 million, of which R8.677 million was due to the unspent *Compensation of employees* and *Goods and services* funds of the former Department of Royal Household (DRH). When the proclamation was signed, the budget remained at the DRH, but the expenditure was moved to the OTP, which then utilised its savings to offset the DRH expenses. The under-expenditure includes an amount of R14.196 million for the construction of the Training Academy that was transferred to DOPW but not spent, and hence was reflected as an under-spending in line with a recommendation from the A-G.

The budget increased by R44.270 million in the 2015/16 Adjusted Appropriation due to the following:

- R15 million for the construction of the pipeline at the Luwamba Wellness Centre could not be utilised in 2014/15 due to challenges experienced with various stakeholders, farmers and wards in terms of the appointment of the local community to assist with the project. As such, these funds were suspended from 2014/15 and re-allocated to the department in 2015/16.
- R14 million was specifically and exclusively appropriated for the equipping of war-rooms but was not utilised in 2014/15 due to a review of the war-rooms' software requirements by the Information Technology unit. The funds were therefore suspended from 2014/15 and were re-allocated back to the department in 2015/16.
- R5 million for the OSS Diakonia Council of Churches. These funds were allocated over a three-year period using cash resources that became available in the 2013/14 Adjustments Estimate.
- The department received R10.270 million for the establishment of an operations centre for the implementation of the PEMP, in line with Cabinet Resolution 109 taken on 1 April 2015.

Offsetting the above increase, was a suspension of R15.690 million in respect of the equitable share to 2016/17 with regard to the construction of the new Training Academy in Westville. However, the construction of this facility will no longer take place due to the MTEF budget cuts.

Over the 2016/17 MTEF, the OTP receives further additional funding for the PEMP operations centre, as well as funds for the carry-through of the above-budget 2015 wage agreement. However, the below inflationary growth over the 2016/17 MTEF is mainly ascribed to the budget cuts being implemented, as

discussed in more detail below. In addition, and as a result of the cuts, the amount of R15.690 million suspended from the 2015/16 budget will not be allocated to the OTP in 2016/17 as the construction of the Training Academy has been halted to partially fund the budget cuts.

4.2 Departmental receipts

Table 1.2 below reflects details of departmental receipts per main category over the seven-year period: 2012/13 to 2018/19. Details of the department's revenue are reflected in *Annexure – Vote 1: Office of the Premier* and are discussed briefly below.

Table 1.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	170	191	174	230	230	197	245	258	273
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	5	4	5	1	1	23	1	1	1
Sale of capital assets	180	554	1 143	270	270	270	287	311	329
Transactions in financial assets and liabilities	567	157	402	35	35	433	40	42	44
Total	922	906	1 724	536	536	923	573	612	648

Sale of goods and services other than capital assets mainly comprises revenue from commission on PERSAL deductions such as insurance premiums and garnishee orders, tender document fees etc. The high collection in 2013/14 relates to the commission on PERSAL deductions being higher than anticipated. The department's budget is conservative over the MTEF.

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

Sale of capital assets consists of revenue from the sale of redundant assets, such as motor vehicles and equipment. The revenue collected in 2012/13, 2013/14 and 2014/15 was in relation to the sale of redundant assets. The department is very conservative in terms of budgeting over the MTEF. It is difficult to forecast revenue from the sale of redundant assets, as this depends on certain factors such as age of the department's assets, as well as the price attained at the auction.

Transactions in financial assets and liabilities is in respect of recoveries of staff debts and expenditure from previous financial years. The 2012/13 revenue represents funds returned from training workshops conducted during that financial year. In terms of inter-departmental agreements, the amount agreed upon per delegate for training was higher than the actual expenditure incurred. The collection in 2014/15 resulted from higher than anticipated recovery of staff debts relating to previous years' overpayment of salaries. The revenue gradually grows over the MTEF.

4.3 Donor funding

Tables 1.3 and 1.4 below reflect the details of donor funding for the period 2012/13 to 2018/19.

Table 1.3 : Details of donor funding receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Donor funding	24 079	24 079	38 020	12 894	12 894	21 700	26 798	6 800	6 600
NSF	16 079	16 079	28 583	6 444	6 444	3 900	11 398	-	-
MERSETA (1st addendum)	8 000	8 000	9 437	6 450	6 450	6 700	6 800	-	-
MERSETA (2nd addendum)	-	-	-	-	-	4 500	6 800	6 800	6 600
Work Integrated Learning (SSETA)	-	-	-	-	-	5 800	-	-	-
Work Integrated Learning (PSETA)	-	-	-	-	-	800	1 800	-	-
Total	24 079	24 079	38 020	12 894	12 894	21 700	26 798	6 800	6 600

Table 1.4 : Details of payments and estimates of donor funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Donor funding	24 079	24 079	-	12 894	12 894	21 620	26 918	6 800	6 600
NSF	16 079	16 079	-	6 444	6 444	3 900	11 398	-	-
MERSETA (1st addendum)	8 000	8 000	-	6 450	6 450	6 700	6 800	-	-
MERSETA (2nd addendum)	-	-	-	-	-	4 500	6 800	6 800	6 600
Work Integrated Learning (SSETA)	-	-	-	-	-	5 800	-	-	-
Work Integrated Learning (PSETA)	-	-	-	-	-	720	1 920	-	-
Total	24 079	24 079	-	12 894	12 894	21 620	26 918	6 800	6 600

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

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

Out of the 800 learners targeted by this project, 755 have been recruited to date and learners are at various stages of institutional and workplace training.

The department was allocated R21.500 million from 2012/13 to 2016/17 from the MERSETA (first addendum) for an artisan development project that targets the training of 200 artisans in occupations in the manufacturing and engineering sector, and R8 million for the KZN short skills training project in 2012/13. The MERSETA (second addendum) will allocate an additional R24.700 million from 2015/16 to 2018/19 to train a further 200 apprentices in various trades such as fitting and turning, electricians, spray painting, petrol and diesel mechanics, etc. The total funding received to date is R4.500 million. The project ends in 2018/19, when all apprentices will have written their trade tests.

The aim of the Work Integrated Learning (SSETA and PSETA funded projects) is to support 215 students from TVET colleges with a stipend of R1 500 per student per month for 12 to 18 months. These projects, aimed at supporting the development of a policy on accreditation, started in April 2015 and will finish in 2016/17. The 2016/17 allocation will continue to fund learning programmes, artisan development projects, training apprentices in various trades, as well as supporting the development of policies on accreditation.

5. Payment summary

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

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

5.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- Provision was made for the carry-through costs of the above-budget 2015 wage agreement and an inflationary wage adjustment of 7.2, 6.8 and 6.8 per cent for each of the three years of the 2016/17 MTEF, respectively. The department also provided for the 1.5 per cent pay progression.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2015/16, will continue to be adhered to over the 2016/17 MTEF, in conjunction with National Treasury Instruction 01 of 2013/14: Cost-containment measures. In addition, as a result of the need to lower the expenditure ceiling across the country (as explained under Section 5.2 below), departments had to adhere to the following guidelines:

- o Expenditure on *Compensation of employees* was lowered by freezing ALL vacant non-OSD posts. This cut does not affect Education or Health as these are to be protected in this process. Both departments are required to review their vacant administration staff posts and to decrease the numbers in this area with the savings from this exercise to be redirected within the votes to service delivery spending.
- o Departments' equitable share funded *Goods and services* budgets were cut by 2 per cent.
- o Departments' and public entities' hosting of events budgets were cut over the MTEF.
- o Other baseline cuts were effected against the Office of the Premier and the Department of Economic Development, Tourism and Environmental Affairs in line with a directive from national in this regard.
- o Departments must not absorb the impact of these cuts against their capital budgets. Capital projects may be re-scheduled or slowed in instances where this is practical.

5.2 Additional allocations for the 2014/15 to 2016/17 MTEF

Table 1.5 shows additional funding received by the department over the three MTEF periods: 2014/15, 2015/16 and 2016/17.

Table 1.5 : Summary of additional provincial allocations for the 2014/15 to 2016/17 MTEF

R thousand	2014/15	2015/16	2016/17	2017/18	2018/19
2014/15 MTEF period	101 194	57 751	55 522	58 629	62 029
Carry-through of previous wage agreements	1 626	3 141	3 630	4 142	4 383
Re-grading of clerical staff (Royal Household)	200	200	200	210	222
Suspension of parts of Integrity Management funds from 13/14	5 700	-	-	-	-
Re-allocation of funding for Luwamba Wellness Centre in Ntambanana	-	(31 380)	(32 823)	(34 464)	(36 463)
Integrity Management unit	33 169	31 380	32 823	34 464	36 463
OSS Diakonia Council of Churches	5 000	5 000	-	-	-
Amafa - World Heritage status for Emakhosini Valley	3 059	-	-	-	-
Elections - Security strengthening	5 000	-	-	-	-
Centralisation of communications budget under OTP	35 593	37 144	38 862	40 805	43 172
Centralisation of external bursaries budget under OTP	11 847	12 266	12 830	13 472	14 253
2015/16 MTEF period		65 071	38 094	39 999	42 319
Suspension of Luwamba Wellness Centre funds from 14/15		15 000	-	-	-
Suspension of OSS equipping of war-rooms funds from 14/15		14 000	-	-	-
Correction of DARD communications budget		(6 729)	(7 065)	(7 418)	(7 848)
Correction of DARD bursaries budget		(1 889)	(1 957)	(2 055)	(2 174)
Vote 10: Royal Household budget moved to Vote 1		56 536	59 549	62 526	66 153
Decentralisation of bursaries budget		(11 847)	(12 433)	(13 054)	(13 811)
2016/17 MTEF period			(88 290)	(86 782)	(86 865)
Above-budget 2015 wage agreement			4 597	4 923	5 272
PEMP operations centre			11 775	12 218	12 919
Freezing all vacant non-OSD posts			(25 138)	(26 847)	(28 673)
Cutting events' budgets			(39 723)	(39 722)	(39 722)
Cutting Training Academy budget			(16 522)	(17 348)	(18 354)
General baseline cut			(15 866)	(12 125)	(9 968)
2% Goods and services cut			(7 413)	(7 881)	(8 339)
Total	101 194	122 822	5 326	11 846	17 483

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

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

The carry-through allocations for the 2014/15 and 2015/16 MTEF periods (i.e. for the financial year 2018/19) are based on the incremental percentage used in the 2016/17 MTEF.

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

- The carry-through costs of previous wage agreements, as well as re-grading of clerical staff (specifically for DRH), with carry-through over the MTEF.

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

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

- R15 million, which was suspended from 2014/15, was re-allocated back to the department for the construction of the pipeline at the Luwamba Wellness Centre as this could not be utilised due to the challenges experienced with the various stakeholders, farmers and wards in terms of the appointment of the local community to assist with the project.
- R14 million, which was suspended from 2014/15, was re-allocated back to the department, and is specifically and exclusively appropriated for the equipping of war-rooms in the wards.
- The OTP's budget was reduced by R8.618 million with carry-through for re-allocation back to the Department of Agriculture and Rural Development (DARD) as DARD inadvertently submitted inflated figures in respect of both the centralisation of communications budget (R6.729 million) and external bursaries budgets (R1.889 million), as they had incorrectly shown that their full communications budget should be centralised under the OTP, as well as surrendered more than required in respect of external bursaries.
- As mentioned, following the signing of the proclamation, the budget of the Royal Household was added to Vote 1's budget with effect from 1 April 2015. Note that a portion of the Royal Household budget is not available for spending, though, as the Royal Household still bears a first charge, which must be honoured in 2015/16 and 2016/17.
- Following a Cabinet decision, the bursaries budget, which was previously centralised under the OTP, was decentralised back to all the departments from which the budget was previously moved.

With regard to the 2016/17 MTEF, due to data updates of the equitable share formula, a declining provincial own revenue, as well as cuts implemented by National Treasury as a result of the need to lower the expenditure ceiling across the country and to reprioritise to fund various national priorities that have recently arisen, the funding available to the province has been reduced or cut. Provinces were also instructed that the baselines of provincial Departments of Health be protected in view of the impact that the exchange rate has had on the affordability of medicines, which are largely imported. In order to effect these cuts in the province, expenditure on *Compensation of employees* was lowered by freezing all vacant non-OSD posts, and departments' equitable share funded *Goods and services* budgets were cut by 2 per cent over the MTEF. The impact of these cuts on the OTP is commented on below, and further detail is given in Section 5.3.

Accordingly, in 2016/17, the department is reduced by R88.290 million due to the following:

- As a result of freezing all vacant non-OSD posts, R25.138 million was removed from the budget in 2016/17, with carry-through over the MTEF.
- The OTP's hosting of events budget was cut (R39.723 million with carry-through over the MTEF).
- The budget for the construction of a new Training Academy was removed (R16.522 million with carry-through).

- A general baseline cut amounting to R15.866 million with carry-through, specifically relating to the OTP, was effected against *Compensation of employees*, as well as *Goods and services*.
- The equitable share funded *Goods and services* budget was cut by 2 per cent (R7.413 million with carry-through).
- In order to assist with funding these budget cuts, the department reduced the transfers to its public entities. Amafa's budget was cut by R4.888 million and RHT's budget was cut by R9.489 million, both with carry-through.

However, offsetting these reductions is additional funding amounting R19.254 million for the following:

- The above-budget 2015 wage agreement.
- The PEMP operations centre amounting to R11.775 million, R12.218 million and R12.919 million over the MTEF, linked to contract posts which align to the Premier's term of office. The operations centre is responsible for co-ordinating the programme directed towards eradicating poverty in the province.

5.3 Summary by programme and economic classification

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

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

It must be noted that, following the signing of the proclamation to amalgamate Vote 1 and Vote 10, as previously mentioned, the baseline available for Programme 3 is reduced by the first charge (shown below the total line) that was imposed on Vote 10 and must therefore be honoured in line with a SCOPA resolution.

Overall, there is a generally steady increase in the department's budget from 2012/13 to the 2015/16 Revised Estimate, with a significant reduction over the 2016/17 MTEF due to the above-mentioned budget cuts. It is noted that the department effected these cuts across all programmes, as well as most economic classification categories but mainly *Compensation of employees*, *Goods and services*, *Transfers and subsidies to: Departmental agencies and accounts*, *Transfers and subsidies to: Households, Buildings and other fixed structures*, *Machinery and equipment*, etc. The quantum of the cuts is detailed in each programme, but the cuts effected on the department as a whole amounted to R104.662 million, R103.923 million and R105.056 million, including the Training Academy allocation over the MTEF, which the department also implemented against its public entities, to minimise the impact on the vote as a whole. Amafa's budget was cut by R4.888 million, R4.399 million and R4.799 million and RHT's budget was cut by R9.489 million, R9.388 million and R9.351 million over the MTEF.

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

R thousand	Audited 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	156 363	184 940	201 447	120 137	102 337	102 337	92 507	94 238	114 135
2. Institutional Development	202 297	225 853	225 901	297 448	295 993	295 993	273 866	292 396	300 901
3. Policy and Governance	339 135	310 281	294 891	325 629	339 464	339 464	292 271	310 866	327 868
Total	697 795	721 074	722 239	743 214	737 794	737 794	658 644	697 499	742 904
Unauth. Exp. (1st charge) not available for spending	(1 800)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 194)	-	-
Baseline available for spending after 1st charge	695 995	718 574	719 739	740 714	735 294	735 294	656 450	697 499	742 904

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	570 960	605 567	596 065	642 487	618 204	618 204	581 088	622 058	662 655
Compensation of employees	232 908	213 622	206 276	262 949	251 600	251 600	275 611	287 732	303 740
Goods and services	338 052	391 945	389 789	379 538	366 604	366 604	305 477	334 326	358 915
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	80 880	71 623	91 709	67 411	71 717	71 717	56 488	61 022	64 998
Provinces and municipalities	15 035	16	4 924	60	64	64	54	57	60
Departmental agencies and accounts	36 960	44 395	53 311	58 392	62 392	62 392	45 195	48 764	52 029
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	8 030	-	4 226	-	-	-	-	-	-
Households	20 855	27 212	29 248	8 959	9 261	9 261	11 239	12 201	12 909
Payments for capital assets	43 959	41 353	34 369	30 816	45 373	45 373	16 680	14 419	14 999
Buildings and other fixed structures	12 743	24 272	10 049	19 629	10 139	10 139	1 937	2 034	2 152
Machinery and equipment	6 888	12 734	21 895	6 925	32 513	32 513	10 178	7 762	7 956
Heritage assets	10 794	4 347	2 425	4 200	2 659	2 659	4 500	4 555	4 819
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	7 018	-	-	-	-	-	-	-	-
Software and other intangible assets	6 516	-	-	62	62	62	65	68	72
Payments for financial assets	1 996	2 531	96	2 500	2 500	2 500	4 388	-	252
Total	697 795	721 074	722 239	743 214	737 794	737 794	658 644	697 499	742 904
Unauth. Exp. (1st charge) not available for spending	(1 800)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 194)	-	-
Baseline available for spending after 1st charge	695 995	718 574	719 739	740 714	735 294	735 294	656 450	697 499	742 904

The substantial increase from 2012/13 onward is attributed to additional funding received for the LIV Orphanage, refurbishment and renovations of the Training Academy, the Youth Ambassadors programme and the training of the youth ambassadors by the South African National Defence Force (SANDF), the Luwamba Wellness Centre, as well as funding toward equipping war-rooms in relation to OSS. The department received additional funding in 2014/15 for the Integrity Management unit, as well as OSS and the centralisation of the external bursaries and parts of the communications budgets under the OTP. However, most of the funding received in 2013/14 and even 2014/15 (Integrity Management unit), is largely once-off, which accounts for the low growth into 2014/15. The 2014/15 financial year was further reduced mainly by suspensions in respect of the Luwamba Wellness Centre, as well as OSS equipping of war-rooms, with the understanding that it would be re-allocated back to the department in 2015/16. In 2015/16, the bursaries budget was once again decentralised back to those departments from which the funds were originally moved. Although the department received additional funding for the PEMP operations centre and above-budget 2015 wage agreement amounting to R10.270 million and R4.597 million, respectively, with carry-through over the MTEF, this was offset by the MTEF budget cuts mentioned above.

The spending against Programme 1: Administration in 2012/13 includes additional funding for the provision of piped water and proper roads to the Luwamba Wellness Centre in the Ntambanana Municipality, as well as the AFCON tournament. The increase in 2013/14 is largely ascribed to the establishment of a unit to manage the Premier's special projects, the RTI Commission, etc. The increase in 2014/15 is a result of additional funding for the capacitation of the Integrity Management unit, as well as the Luwamba Wellness Centre. However, it must be noted that, during 2014/15, there was a deduction of R2.781 million relating to previous years' irregular expenditure. As previously mentioned, from 2015/16, the OTP agreed to redirect the funds allocated for the development of the Luwamba Wellness Centre towards the running of the Integrity Management unit. The 2015/16 Main Appropriation is higher than the 2016/17 MTEF allocations as it includes the suspension of funds for the Luwamba Wellness Centre from 2014/15. The Integrity Management unit was moved to Programme 2 from 2015/16. The reduction in the 2015/16 Adjusted Appropriation was due to the extensive reprioritisation undertaken and, as a result, funds were moved to Programme 2 for the installation of security systems and asset tracking devices, as well as a shift to Programme 3 catering for goods and services relating to the Luwamba Wellness Centre. The decrease in 2016/17, as well as the below inflationary growth over the 2016/17 MTEF are mainly ascribed to the previously mentioned budget cuts of R7.577 million and R10.902 million in 2016/17 and 2017/18, respectively, which affected *Compensation of employees, Goods and services, Transfers and subsidies to: Households, and Machinery and equipment*.

The amount against Programme 2: Institutional Development from 2012/13 includes additional funding received for the refurbishment and renovations of the Training Academy. The growth from 2012/13 to 2013/14 was due to the decision by the department to stop spending on the Training Academy in 2012/13, after it was taken over by the Department of Education (DOE). There is a marginal increase in 2013/14 and 2014/15 as a result of the centralisation of parts of the communications and the external bursaries budgets under the OTP. In 2014/15, there was also a shift from *Compensation of employees* in Programme 3 to this programme against *Transfers and subsidies to: Households* to cater for the Provincial Bursary programme for external bursaries. However, the bursaries budget was decentralised from 2015/16 back to the departments from which the funds were originally moved, as previously mentioned. The significant increase from 2015/16 is as a result of the centralisation of OTP's own communications budget from Programmes 1 and 3 to this programme, as well as, among other things, the OSS funds that were surrendered in 2014/15 with an understanding that the funding would be re-allocated to the department in 2015/16. The decrease in 2016/17, as well as the below inflationary growth over the 2016/17 MTEF, are mainly ascribed to the previously mentioned MTEF budget cuts of R49 million, R47.175 million and R58.365 million, largely in respect of *Compensation of employees* and *Goods and services*. These cuts include the removal of the budget for constructing a new Training Academy under *Buildings and other fixed structures*, as mentioned earlier.

Programme 3: Policy and Governance received additional funding in 2012/13 for the Youth Ambassadors' programme, operational costs of the Emakhosini Multi-Media Centre, the PPC and the Nerve Centre. In 2012/13, various projects received additional funding, such as the Youth Ambassadors' programme, OSS, African Renaissance, etc. Most additional funds in 2012/13 were once-off, such as youth ambassador training by SANDF, roll-over of Indian indentured labourer funds, etc., thus explaining the decrease in 2013/14 and 2014/15. The 2014/15 amount included once-off additional funding allocated to Amafa for its application for World Heritage status for the Emakhosini Valley. The increase from 2015/16 is attributed to the movement of funds originally earmarked for the Youth Ambassadors' programme from Programme 2 to Programme 3, to fund the newly established Youth chief directorate. As mentioned, comparatives were not restated. Additional funding was received for the PEMP and this is included in Programme 3, with carry-through costs over the 2016/17 MTEF. It must be noted that, from 2015/16, this programme now has a Royal Household sub-programme and the Royal Household Trust public entity, as a result of the amalgamation of Votes 1 and 10, as mentioned. The decrease in 2016/17, as well as the below inflationary growth over the 2016/17 MTEF, are mainly ascribed to the previously mentioned budget cuts of R48.085 million, R45.844 million and R49.533 million, mainly in relation to the reduced transfers to Amafa and RHT under *Transfers and subsidies to: Departmental agencies and accounts*. *Compensation of employees* and *Goods and services* were also cut.

Compensation of employees decreased from 2012/13 to 2013/14 as a result of a reduction in the appointment of youth ambassadors from 3 024 to 1 966, in an effort to match the budget, as well as the moratorium on the filling of non-critical vacant posts. The further decrease in 2014/15 relates to the reprioritisation of youth ambassadors' stipends to offset other pressures in respect of the youth. The department will not be in a position to implement the new organisational structure as anticipated due to the freezing of all vacant non-OSD posts. Also, the below inflationary growth over the 2016/17 MTEF is mainly ascribed to the previously mentioned budget cuts relating to the immediate freezing of all vacant non-OSD posts, as mentioned.

The *Goods and services* budget in 2012/13 included additional funding received for the *Amadelakufa* awards, once-off set-up costs of the Integrity Management unit, OSS projects, African Renaissance, etc. Most additional funds in 2012/13 and 2013/14 were once-off, such as Zimele, African Renaissance, etc., explaining the marginal growth in 2014/15. The increase in 2014/15 was mainly due to the approved roll-overs, such as for the RTI Commission and African Economic Expansion Summit. However, offsetting this was a deduction of R2.781 million relating to previous years' irregular expenditure. Accounting for the reduction in 2015/16 is the shifting of funds in respect of the Training Academy to the *Buildings and other fixed structures* category, as a new building was planned to be constructed prior to the 2016/17 MTEF cuts. This decrease is despite the fact that, in 2015/16, there is a re-allocation of funds for the Luwamba Wellness Centre and OSS projects, which were suspended in 2014/15, as well as additional funding for OSS Diakonia Council of Churches. As mentioned, additional funding of R10.270 million was

received for the PEMP operations centre, with carry-through costs over the 2016/17 MTEF. The bulk of this funding is included under *Compensation of employees*, as well as *Goods and services*. The decrease in 2016/17, as well as the below inflationary growth over the MTEF, are mainly ascribed to the budget cuts.

The category *Transfers and subsidies* is analysed as follows:

- *Provinces and municipalities* generally caters for the payment of motor vehicle licences. The high expenditure in 2012/13 and 2014/15 was due to once-off additional funding for hosting AFCON in KZN, with this being undertaken jointly with the eThekweni Metro, as well as the implementation of the commemoration monument in respect of the arrival of the Indian indentured labourers in South Africa. Unfortunately, this monument has not been built and unveiled to date but the Metro has undertaken to finalise the project in 2016/17, as the funds are already with the Metro. There is steady growth over the 2016/17 MTEF in respect of motor vehicle licences.
- *Departmental agencies and accounts* caters for transfers to Amafa and the RHT. Amafa received once-off additional funding of R3.059 million in 2013/14 for its application for World Heritage status for the Emakhosini Valley, contributing to the increase in 2013/14. The amount in 2015/16 includes the amalgamation of DRH and the OTP, as well as the transfer to the RHT. Funds were also reprioritised within the department's baseline to increase transfers to Amafa for the purchase of vehicles and salary related costs. The OTP reprioritised a further R4 million for the RHT during the 2015/16 Adjusted Appropriation to cater for urgent outstanding invoices that required payment, accounting for the dip in 2016/17. Furthermore, the decrease in 2016/17, as well as the below inflationary growth over the 2016/17 MTEF, are mainly ascribed to the previously mentioned budget cuts which were implemented against the two public entities, to assist the department to absorb the reduction.
- With regard to *Non-profit institutions*, an amount of R8 million was allocated in 2012/13 for the LIV Orphanage, to assist the orphanage with building a holistic village both to house vulnerable and orphaned children, to empower them to be self-employed and to sustain a reasonable livelihood by learning basic skills. An amount of R30 000 in 2012/13 relates to a donation to the Khulani Production Artist Theatre for a graduation ceremony to honour students that completed the Arts and Skills courses. An amount of R4.226 million was spent in 2014/15, as the province's contribution to the construction of the Denis Hurley Centre in Durban, as previously mentioned.
- *Households* consists of staff exit costs, medical aid contributions for ex-parliamentarians (PARMED), the Provincial Bursary Programme, etc. The fluctuations relate to staff exit costs, which are difficult to accurately predict. The amount in 2012/13 is as a result of savings identified from the funds for PILIR and allocated to the Provincial Bursary Programme, as well as the funds received from an inter-departmental account in respect of the Provincial Bursary Programme from other departments. In 2014/15, the department undertook a once-off shift from *Compensation of employees* to this category, as a result of the discontinuation of the Youth Ambassadors' programme stipends to cater for the in-year spending pressure in respect of bursaries. This discontinuation accounts for the significant dip in 2015/16 and over the 2016/17 MTEF. Also accounting for the dip in 2015/16 and the 2016/17 MTEF is the decision to decentralise the external bursaries budget back to the departments from which the funds were originally moved. The amount remaining over the MTEF provides for staff exit costs and bursaries. The decrease in 2016/17, as well as the below inflationary growth over the 2016/17 MTEF, are mainly ascribed to the previously mentioned budget cuts.

With regard to *Buildings and other fixed structures*, funding was allocated in 2012/13 in line with a request, from the former DRH, which indicated that the palaces were in dire need of renovations and repairs. The department commenced with the renovations and refurbishment of two palaces – i.e. KwaKhethomthandayo and KwaDlamahlahla. The department, however, did not fully spend the funds allocated for renovations and refurbishment of palaces in 2012/13, due to delays in the implementation of certain infrastructure projects, as His Majesty, the King was not completely satisfied with the infrastructure plan. The budget in 2012/13 comprises a roll-over of R5.383 million relating to 2011/12 unspent funds ring-fenced for Royal Household infrastructure projects, while only R5 000 was spent on renovations to the Premier's Parkside residence in 2012/13. During 2013/14, the department received a roll-over of R5.701 million for the balance of the roof renovations to the Premier's Parkside residence, as

well as a roll-over of R3.466 million relating to 2012/13 unspent funds, which were ring-fenced for infrastructure projects, such as the Ingwavuma palace upgrade due to the fact that the contractor abandoned the project in the same period. This accounts for the significant decrease in 2014/15. The Training Academy building was claimed back by DOE in 2012/13 to assist educators with continuous professional development. The Training Academy continued to function from its current location, but the department, together with DOPW, identified a site in Westville to build the new Training Academy. The reduction in the 2015/16 Adjusted Appropriation was a correction of the budget. The significant decrease over the 2016/17 MTEF is mainly ascribed to the previously mentioned budget cuts relating to the Training Academy where the funding to construct a new facility was cut from the department's baseline. As a result of the cuts, the OTP is in talks with DOE for the Training Academy to continue operating from the current premises, in an effort to make sure that operations continue unaffected.

Machinery and equipment relates to the purchase of essential office furniture and equipment for new appointments and the purchase of official vehicles. The increase from 2012/13 relates to funds reprioritised within *Payments for capital assets* for the Nerve Centre, as indicated below. The amount in 2013/14 is high due to reprioritisation undertaken to purchase office furniture for new appointments, the replacement of obsolete office equipment, for security access control systems and the replacement of departmental vehicles. The increase in 2014/15 was attributed to the purchase of replacement motor vehicles and for office furniture and equipment for new appointments. The decrease in the 2015/16 Main Appropriation is a result of the completion of the upgrades to the Cabinet office. The increase in the 2015/16 Adjusted Appropriation was due to funds reprioritised from within the department for the installation of security systems, asset tracking devices, as well as departmental vehicles, as mentioned earlier. The dip over the 2016/17 MTEF is because the funds that were reprioritised in the previous year were once-off. The further drop in 2017/18 relates to the fact that the department has not budgeted for furniture beyond 2016/17. Included in 2017/18 and 2018/19 is the provision for the replacement of departmental vehicles, including the Queens' vehicles.

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

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

The costs in respect of the Nerve Centre (SAS Business Intelligence System) account for the significant expenditure against *Software and other intangible assets* in 2012/13, as a result of Build 1 and 2 of the system. The amounts over the 2016/17 MTEF cater for software upgrades.

Payments for financial assets is attributed to the first charge for the Royal Household and debts written off. The last instalment of the first charge will be paid in 2016/17.

5.4 Summary of conditional grant payments and estimates – Nil

5.5 Summary of infrastructure payments and estimates

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

Table 1.8 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Existing infrastructure assets	16 271	24 272	8 553	4 579	10 779	10 139	3 108	2 916	2 275
Maintenance and repair: Current	3 528	-	-	640	640	-	1 171	882	123
Upgrades and additions: Capital	-	-	-	3 212	9 112	9 412	-	-	-
Refurbishment and rehabilitation: Capital	12 743	24 272	8 553	727	1 027	727	1 937	2 034	2 152
New infrastructure assets: Capital	-	-	1 496	15 690	-	-	-	-	-
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	-	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Total	16 271	24 272	10 049	20 269	10 779	10 139	3 108	2 916	2 275
Capital infrastructure	12 743	24 272	10 049	19 629	10 139	10 139	1 937	2 034	2 152
Current infrastructure	3 528	-	-	640	640	-	1 171	882	123

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

With regard to *Maintenance and repair: Current*, the spending in 2012/13 relates to routine maintenance work done at the Training Academy and administration offices. As mentioned, however, the Training Academy building was transferred back to DOE in 2012/13 to assist educators with continuous professional development. The Training Academy continued to function from its current location, while all planned maintenance work at the existing Training Academy was put on hold. The 2016/17 MTEF allocations provide for the maintenance work of the administrative offices.

In 2011/12 (not visible in the table), the department received additional funds for the upgrading, refurbishment and rehabilitation of palaces allocated against *Refurbishment and rehabilitation: Capital*. These funds were not utilised due to delays in the implementation of certain infrastructure projects, such as the construction of the King's residence at eNyokeni. As such, R5.383 million was rolled over to 2012/13. Also in 2012/13, *Refurbishment and rehabilitation: Capital* reflects expenditure related to renovations to the Premier's Parkside residence. The department received a roll-over of R5.701 million during 2013/14 for the balance of the roof renovations to the Premier's Parkside Residence. The allocation was under-spent in 2012/13 due to delays in the implementation of Ingwavuma palace infrastructure projects, such as the extension of His Majesty, the King's house, etc., as the appointed contractor abandoned the project. The increase in 2013/14 can be ascribed to the 2012/13 unspent funds, which were rolled over to 2013/14 to cater for commitments with regard to Ingwavuma palace infrastructure projects, accounting for the decrease in 2014/15. The MTEF allocations provide for the completion of existing projects, such as the Ingwavuma palace projects and the Royal Household office renovations in Nongoma.

During 2015/16, the Infrastructure unit of Provincial Treasury conducted an infrastructure condition assessment at four of the Royal Palaces, while simultaneously contracting the Provincial Infrastructure Crack Team to assess potable water supply for four palaces. The Crack Team scoped the work to be done at the Khangela and eNyokeni Palaces, and drafted the Bill of Quantities for the DOPW to process the appointment of a service provider for the maintenance, upgrade and water reticulation at these palaces.

New infrastructure assets: Capital relates to funding for the Training Academy, as mentioned previously. These funds were supposed to be utilised for the construction of the new Training Academy in Westville, where a site was identified. DOPW had completed a site evaluation, and the aggregate cost of constructing the academy were anticipated to be approximately R60 million. It was planned that the construction costs were going to be provided for over the 2016/17 MTEF, with implementation occurring in phases. However, due to the above-mentioned budget cuts, the planned construction will no longer take place and the department is renegotiating with DOE with regard to space so that the work done by the Training Academy can continue unaffected. In 2014/15, an amount of R1.496 million was utilised for the feasibility study relating to the construction of a new Training Academy. The reduction in the 2015/16 Adjusted Appropriation was due to the fact that an amount of R15.690 million for the construction of the Training Academy was suspended to 2016/17, which the department will no longer receive, in view of the above cut-backs.

5.6 Summary of Public Private Partnerships – Nil

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

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

Table 1.9 : Summary of departmental transfers to public entities

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Amafa aKwaZulu Natali	26 460	29 095	35 149	34 977	34 977	34 977	30 028	32 263	33 989
Royal Household Trust	10 500	15 300	18 162	23 415	27 415	27 415	15 167	16 501	18 040
Total	36 960	44 395	53 311	58 392	62 392	62 392	45 195	48 764	52 029

Amafa is responsible for administering heritage conservation on behalf of the provincial government. The entity's main objective is to promote awareness of the significance and value of cultural heritage resources, while ensuring that cultural heritage management is integrated into economic, social and environmental activities in KZN. In 2013/14, a once-off R1.500 million was allocated for procurement of capital requirements associated with the entity's turnaround strategy. An amount of R3.059 million was allocated in 2014/15 to enable Amafa to apply for World Heritage status in respect of the Emakhosini Valley, to upgrade its research and education facilities, as well as various heritage sites and to also purchase support equipment. From 2015/16, funds were reprioritised from within the department to increase transfers to Amafa for the purchase of vehicles and salary related costs. The decrease in 2015/16 and 2016/17 is ascribed to the fact that the additional funding received in 2014/15 was largely once-off. Also, the decrease in 2016/17, as well as the below inflationary growth over the MTEF, are mainly ascribed to the MTEF budget cuts, which the department also implemented against its entities. In line with this, Amafa's transfer was cut by R4.888 million, R4.399 million and R4.799 million over the MTEF. As mentioned, it is envisaged a new Schedule 3 public entity will be formed, amalgamating Amafa and the Heritage unit. This heritage institute is anticipated to commence operating in 2016/17, once the necessary legislative processes have taken place.

The RHT was established in 2009/10 as an entity in terms of the KZN Royal Household Trust Act, 2007 (but will be governed by the KZN Royal Household Trust Bill, 2015 once enacted) and registered as a Schedule 3C provincial public entity during 2012/13. In 2011/12 (not visible in the table), 2012/13 and 2013/14, funds were transferred to the RHT to cater for the set-up costs of the Trust, remuneration of the Trustees, as well as various costs of the RHT, which were administered by the Trust. This includes municipal costs, fuel, food supplies, etc., relating to Queens and other members of the Royal family. In 2012/13, the department paid for functions which were anticipated to be paid for by the Trust since the Trust was not fully functional. The increase in 2014/15 was due to the increase in transfers, as the RHT began to take over more functions from the department. During the 2015/16 Adjusted Appropriation, an additional amount of R4 million was reprioritised from within Vote 1 to the RHT to cater for outstanding invoices from 2014/15. The significant decrease in 2016/17, as well as the below inflationary growth over the 2016/17 MTEF, are mainly ascribed to the previously mentioned budget cuts, portion of which the department also implemented against its public entities. As such, the RHT's transfer was cut by R9.489 million, R9.388 million and R9.351 million over the MTEF.

5.8 Transfers to other entities

Table 1.10 below reflects departmental transfers to other entities. In 2012/13, an amount of R8 million was transferred to the LIV Orphanage, as previously explained. In 2012/13, a donation of R30 000 was made to Khulani Production Artist Theatre for a graduation ceremony to honour students that completed the Arts and Skills courses. In 2014/15, an amount of R4.226 million was allocated as the province's contribution to the construction of the Denis Hurley Centre in Durban, as explained previously

Table 1.10 : Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
LIV Orphanage	2.5 Special Programmes	8 000	-	-	-	-	-	-	-	-
Khulani Production Artist Theatre	2.5 Special Programmes	30	-	-	-	-	-	-	-	-
Denis Hurley Centre	3.2 Priority Programmes	-	-	4 226	-	-	-	-	-	-
Total		8 030	-	4 226	-	-	-	-	-	-

5.9 Transfers to local government

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

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Category A	15 000	-	4 865	-	-	-	-	-	-
Category B	-	-	-	-	-	-	-	-	-
Category C	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	15 000	-	4 865	-	-	-	-	-	-

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

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

The R4.865 million in 2014/15 is in respect of the transfer to the eThekweni Metro for the 150-year commemoration of the Indian indentured labourers. Unfortunately, this monument has not been built and unveiled yet, but the Metro has undertaken to finalise the construction in 2016/17.

5.10 Transfers and subsidies

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

It must be noted that the motor vehicle licence budget is reflected in two programmes (Programmes 1 and 2) due to the movement of the Auxiliary Services unit from Programmes 1 to Programme 2. Prior-year year figures were not adjusted.

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

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

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Administration	16 227	1 063	1 784	1 045	1 080	1 080	1 064	1 117	1 182
Provinces and municipalities	15 035	16	59	-	-	-	-	-	-
Motor vehicle licences	35	16	59	-	-	-	-	-	-
AFCON (eThekweni Metro)	15 000	-	-	-	-	-	-	-	-
Households	1 192	1 047	1 725	1 045	1 080	1 080	1 064	1 117	1 182
Social benefits	1 165	-	-	-	-	-	-	-	-
Post retirement benefits	27	1 047	1 725	1 045	1 080	1 080	1 064	1 117	1 182
2. Institutional Development	27 059	25 291	27 154	63	322	322	57	60	63
Provinces and municipalities	-	-	-	60	64	64	54	57	60
Motor vehicle licences	-	-	-	60	64	64	54	57	60
Non-profit institutions	8 030	-	-	-	-	-	-	-	-
LIV Orphanage	8 000	-	-	-	-	-	-	-	-
Khulani Production Artist Theatre	30	-	-	-	-	-	-	-	-
Households	19 029	25 291	27 154	3	258	258	3	3	3
Social benefits	-	150	1 154	3	3	3	3	3	3
Provincial Bursary programme	19 029	25 141	26 000	-	255	255	-	-	-
3. Policy and Governance	37 594	45 269	62 771	66 303	70 315	70 315	55 367	59 845	63 753
Provinces and municipalities	-	-	4 865	-	-	-	-	-	-
Indian indentured labourers (eThekweni)	-	-	4 865	-	-	-	-	-	-
Departmental agencies and accounts	36 960	44 395	53 311	58 392	62 392	62 392	45 195	48 764	52 029
Amafa	26 460	29 095	35 149	34 977	34 977	34 977	30 028	32 263	33 989
Royal Household Trust	10 500	15 300	18 162	23 415	27 415	27 415	15 167	16 501	18 040
Non-profit institutions	-	-	4 226	-	-	-	-	-	-
Denis Hurley Centre	-	-	4 226	-	-	-	-	-	-
Households	634	874	369	7 911	7 923	7 923	10 172	11 081	11 724
Social benefits	606	871	369	7 911	7 911	7 911	10 172	11 081	11 724
Staff exit costs	28	3	-	-	12	12	-	-	-
Total	80 880	71 623	91 709	67 411	71 717	71 717	56 488	61 022	64 998

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

- *Departmental agencies and accounts* relates to transfers made to Amafa and the RHT. The increase in 2014/15 is due to the additional funding for Amafa for the turnaround strategy's once-off capital requirements, funds to apply for World Heritage status for the Emakhosini Valley, as well as the additional funding to the RHT to meet its financial obligations. The OTP reprioritised an amount of R4 million for transfers to the RHT in the 2015/16 Adjusted Appropriation to cater for urgent outstanding invoices that required payment. The decrease in 2016/17, as well as the below inflationary growth over the 2016/17 MTEF, are mainly ascribed to the previously mentioned budget cuts, which the department also implemented against its entities. As mentioned, in the 2016/17 MTEF, Amafa's budget was cut by R4.888 million, R4.399 million and R4.799 million and the RHT's budget was cut by R9.489 million, R9.388 million and R9.351 million.
- The amounts reflected against *Non-profit institutions* relate to funding transferred for the construction of the Denis Hurley Centre, as previously explained.
- The category *Households* caters for staff exit costs. It must be noted that, although the Provincial Bursary programme was decentralised back to the departments from which the funds were originally moved, a portion of the budget remains for the external bursaries administered by the OTP under Social benefits. During 2014/15, the department undertook a once-off shift from *Compensation of employees* to this category, as a result of the discontinuation of the Youth Ambassadors' programme stipends, to cater for the in-year spending pressure in respect of bursaries. The 2016/17 MTEF reflects steady growth.

6. Programme description

The services rendered by this department are, as per the generic sector structure, categorised under three programmes, the details of which are discussed below.

The amounts for each programme are summarised in terms of economic classification, with details given in *Annexure – Vote 1: Office of the Premier*.

6.1 Programme 1: Administration

The purpose of this programme is to provide administrative support to the Premier, Executive Council and the Director-General in fulfilling their legislative and oversight functions and in promoting good corporate governance. There are four sub-programmes supporting this programme, namely Premier Support, Executive Council Support, Director-General and Financial Management. The sub-programmes largely conform to the generic programme structure of the sector with regard to Programme 1.

It is noted that, in 2015/16, there were several functions that moved out of Programme 1 to Programme 2, such as Integrity Management, Auxiliary Services, Security Services and Ombudsman. This was done to enhance operational efficiency. The department was unable to adjust prior year comparatives for these adjustments across sub-programmes due to financial records not being kept at this level.

The objectives of this programme are as follows:

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

Tables 1.13 and 1.14 reflect a summary of payments and estimates relating to this programme, by sub-programme and economic classification, for the period 2012/13 to 2018/19. It is noted that the department effected the budget cuts against all the sub-programmes in this programme, in respect of *Compensation of employees, Goods and services, Transfers and subsidies to: Households*, as well as *Machinery and equipment*, as explained below. The cuts effected against this programme amounted to R7.577 million and R10.902 million in 2016/17 and 2017/18, respectively, with an increment of R19.897 million in 2018/19.

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Premier Support	25 873	50 032	44 535	36 316	38 660	38 660	29 874	31 771	33 231
2. Executive Council Support	8 746	8 500	8 280	7 590	7 590	7 590	7 537	8 013	8 373
3. Director-General	18 491	20 569	17 235	14 490	14 490	14 490	12 954	13 792	14 462
4. Financial Management	103 253	105 839	131 397	61 741	41 597	41 597	42 142	40 662	58 069
Total	156 363	184 940	201 447	120 137	102 337	102 337	92 507	94 238	114 135

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	137 133	170 409	187 121	118 013	99 028	99 028	90 306	91 923	111 688
Compensation of employees	56 799	63 500	74 941	63 968	61 168	61 168	58 414	59 228	76 518
Goods and services	80 334	106 909	112 180	54 045	37 860	37 860	31 892	32 695	35 170
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	16 227	1 063	1 784	1 045	1 080	1 080	1 064	1 117	1 182
Provinces and municipalities	15 035	16	59	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 192	1 047	1 725	1 045	1 080	1 080	1 064	1 117	1 182
Payments for capital assets	3 003	13 468	12 518	1 079	2 229	2 229	1 137	1 198	1 265
Buildings and other fixed structures	5	6 881	1 200	-	-	-	-	-	-
Machinery and equipment	2 985	6 587	11 318	1 079	2 229	2 229	1 137	1 198	1 265
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	13	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	24	-	-	-	-	-	-
Total	156 363	184 940	201 447	120 137	102 337	102 337	92 507	94 238	114 135

The high amount for the sub-programme: Premier Support in 2013/14 was to cater for the establishment of a unit to manage the Premier's special projects. In addition, substantial additional funding was appropriated to this sub-programme in 2013/14 for the RTI Commission and Zimele, which accounts for the dip in 2014/15. There is a further reduction from 2015/16 due to the revision of the organisational structure and the department was unable to adjust prior year comparatives as it does not keep information at that level. The decrease in 2016/17, as well as the below inflationary growth over the 2016/17 MTEF, are mainly ascribed to the previously mentioned budget cuts in respect of *Compensation of employees* and *Goods and services*.

The sub-programme: Executive Council Support shows a decrease from 2012/13 to 2015/16 largely due to the reprioritisation of funds from this sub-programme to Programme 3 to cater for OSS spending pressures and for minor upgrades of the Cabinet office. The decrease in 2016/17, as well as the below inflationary growth over the 2016/17 MTEF, are mainly ascribed to the previously mentioned budget cuts against *Compensation of employees*, *Goods and services*, as well as *Machinery and equipment*.

The Director-General sub-programme fluctuates from 2012/13 to 2015/16 mainly as a result of the reprioritisation to different sub-programmes to cater for various spending pressures from time to time, as well as cost-cutting. The reduction from 2014/15 is due to funds that were surrendered back to the Provincial Revenue Fund with regard to ring-fenced funds to cater for security strengthening during the 2014 general elections. The 2016/17 MTEF amounts are significantly lower than 2014/15 due to the structure changes, such as the movement of the Security Services responsibility to the Strategic Human Resources sub-programme in Programme 2 for which prior year comparatives could not be made, as the department's records are not kept at that level, as mentioned earlier. Also, the below inflationary growth over the 2016/17 MTEF is mainly ascribed to the previously mentioned budget cuts against *Compensation of employees* and *Goods and services*.

The amounts from 2012/13 to 2014/15 against Financial Management are high to cater for the creation of the Integrity Management unit, in line with the organisational structure of the department, as well as a once-off R15 million, being the province's contribution to hosting the AFCON tournament. Furthermore, in 2012/13 there was additional funding for the provision of piped water and proper roads to the Luwamba Wellness Centre in the Ntambanana Municipality, which ended in 2015/16, but is then redirected, within the same sub-programme, to funding the operational costs of the Integrity Management unit. The increase in 2013/14 and 2014/15 was due to additional funding for the running and staffing costs of the Integrity Management unit until funds from the Luwamba Wellness Centre could be directed to fund these operational costs. The decrease in the 2015/16 Adjusted Appropriation was due to the shifts to Programme 3 in respect of all goods and services relating to the Luwamba Wellness Centre, as well as within Programme 1 to the Premier's Support sub-programme to correct the budget as a result of staff who were incorrectly paid against this sub-programme. The decrease over the 2016/17 MTEF is as a result of the movement of the Integrity Management unit to Programme 2, for which prior year comparatives could not be made, as mentioned earlier.

The 2013/14 increase against *Compensation of employees* can be ascribed to the reprioritisation from Programmes 2 and 3 to cater for spending pressures such as the above-budget 2013 wage agreement. The 2014/15 expenditure is higher than 2015/16, as well as the 2016/17 MTEF as a result of the reprioritisation of youth ambassadors' stipends to other pressures in respect of the youth, such as the internal and external bursaries pertaining to the OTP. Also, the decrease in 2016/17, as well as the below inflationary growth over the 2016/17 MTEF, are mainly ascribed to the previously mentioned budget cuts relating to the freezing of all non-OSD posts. This category will be reviewed in-year to make sure that all filled posts are adequately funded.

The amount reflected against *Goods and services* in 2012/13 includes the centralisation of administrative costs such as cellular and telephone accounts, stationery, etc., from all programmes to this programme. There is a substantial amount from 2012/13 onward for the Luwamba Wellness Centre, and Integrity Management unit, as well as the creation of the Premier's Special Projects unit, which houses projects/initiatives such as the RTI Commission, HIV and AIDS support, etc. The significant increase in 2013/14 can be ascribed to additional funding to cater for the RTI Commission, as well as the Integrity Management unit. The low growth in 2014/15 is as a result of funds that were surrendered back to the

Provincial Revenue Fund, such as the funds for security strengthening during the 2014 general elections, Luwamba Wellness Centre pipeline construction funds, as well as the previous year's irregular expenditure. The reduction in the 2015/16 Adjusted Appropriation can be ascribed to the shifts to Programme 3 in respect of all goods and services relating to the Luwamba Wellness Centre. The Luwamba Wellness Centre pipeline construction funds that were suspended in 2014/15 were reallocated back to the department in 2015/16. The decrease in 2016/17, as well as the below inflationary growth over the 2016/17 MTEF, are mainly ascribed to the previously mentioned budget cuts.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences, as well as the transfer to the eThekweni Metro in 2012/13, being the province's contribution toward hosting AFCON. It must be noted that motor vehicle licences do not continue throughout the MTEF due to the fact that Auxiliary Services relocated to Programme 2 and the motor vehicle licences are therefore budgeted for under Programme 2.

Transfers and subsidies to: Households caters for staff exit costs. The department also provides for payments in respect of medical aid contributions for ex-parliamentarians (PARMED). The decrease in 2016/17, as well as the below inflationary growth over the 2016/17 MTEF, are mainly attributed to the previously mentioned budget cuts.

The 2013/14 amount against *Buildings and other fixed structures* is attributed to the roll-over of funds from 2012/13 in respect of repairs and maintenance to the Premier's Parkside residence, such as roof leaks. The amounts in 2014/15 mainly cater for the roof and other renovations in respect of the Premier's Parkside residence. There is no further budget provided against this category over the 2016/17 MTEF.

The amount against *Machinery and equipment* can be ascribed to provision for additional vehicles and furniture and equipment purchased for the staff transferred to the Premier Support sub-programme in respect of the Security and Protocol Services unit, which was later moved to the Director-General sub-programme. The increase in 2013/14 is a result of the purchase of official vehicles. The increase in 2014/15 relates to the reprioritisation of funds to this category to cater for hardware upgrades of the Cabinet office. The decrease in 2015/16 and over the 2016/17 MTEF is a result of the completion of the upgrades in Programme 1, as well as internal reprioritisation to the same category in Programmes 2 and 3, to cater for the replacement of computer equipment and departmental vehicles.

The amounts reflected in 2012/13 against *Software and other intangible assets* relate to the purchase of software for the Cabinet office.

Payments for financial assets in 2014/15 mainly relates to the write-off of debts.

Service delivery measures – Programme 1: Administration

Table 1.15 illustrates service delivery measures pertaining to Programme 1. The service delivery outputs were revised in terms of the re-alignment and re-focus in respect of the PGDP.

It is noted that the OTP sector has not yet agreed on standardised service delivery measures. Also note that only a few main measures are reflected below, and the full set of measures is detailed in the department's APP.

Table 1.15 : Service delivery measures - Programme 1: Administration

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
1. Premier Support					
1.1 Administrative support services to the Premier	• Performance score attained on Premier Support, admin support services performance assessment matrix	3	3	3	3
2. Executive Council Support					
2.1 Effective and efficient Provincial Executive Council and key committees administrative support service	• No. of Executive Council meeting decision matrices circulated within 1 week of meeting	20	20	20	20

Table 1.15 : Service delivery measures - Programme 1: Administration

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
3. Director-General					
3.1 Strategic management meeting resolutions	• No. of EXCO meetings	24	24	24	24
4. Financial Management					
4.1 Financial management reports	• No. of financial management reports, monthly IYM submitted to Treasury by the 15th of each month	12	12	12	12
4.2 AFS	• No. of AFS submitted in terms of prescripts	1 final, 3 interim 4	1 final, 3 interim 4	1 final, 3 interim 4	1 final, 3 interim 4
4.3 Procurement plan	• No. of procurement plans submitted in terms of prescripts				

6.2 Programme 2: Institutional Development

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

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

It must be noted that there were several functions that moved out of Programmes 1 and 3 to Programme 2 during 2015/16. As mentioned, from Programme 1 to this programme are movements of responsibilities such as Integrity Management, Auxiliary Services, Security Services and Ombudsperson. The movements from Programme 3 to this programme include the Special Programmes and the Intergovernmental Relations sub-programmes. This was done to enhance operational efficiency. The department was unable to adjust prior year comparatives for these adjustments across sub-programmes due to financial records not being kept at this level.

Therefore, there are six sub-programmes supporting Programme 2, namely Strategic Human Resources, Information Communication Technology (ICT), Legal Services, Communication Services, Special Programmes and Intergovernmental Relations. The department does not fully conform to the generic programme structure of the sector at this stage, and this is in the process of being reviewed.

Tables 1.16 and 1.17 below summarise payments and estimates relating to this programme, by sub-programme and economic classification, for the period 2012/13 to 2018/19.

It is noted that the department effected the budget cuts against all the sub-programmes in this programme, in respect of *Goods and services*, *Buildings and other fixed structures*, as well as *Machinery and equipment*, as explained below. The cuts against this programme totalled R49 million, R47.175 million and R58.365 million over the MTEF.

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Strategic Human Resources	94 065	98 858	93 946	103 969	91 010	91 010	89 556	95 103	91 424
2. Information Communication Technology (ICT)	18 778	21 215	25 391	61 367	71 719	71 719	63 764	69 283	73 789
3. Legal Services	8 892	10 642	10 895	11 860	11 320	11 320	11 562	12 156	12 876
4. Communication Services	23 174	54 682	47 006	50 767	55 737	55 737	52 153	55 706	59 370
5. Special Programmes	44 221	32 187	32 542	51 727	51 427	51 427	41 025	43 381	45 882
6. Intergovernmental Relations	13 167	8 269	16 121	17 758	14 780	14 780	15 806	16 767	17 560
Total	202 297	225 853	225 901	297 448	295 993	295 993	273 866	292 396	300 901

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	165 134	193 327	189 521	277 489	275 144	275 144	267 852	287 838	296 081
Compensation of employees	72 739	77 346	79 155	122 174	116 600	116 600	123 042	129 662	129 569
Goods and services	92 395	115 981	110 366	155 315	158 544	158 544	144 810	158 176	166 512
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	27 059	25 291	27 154	63	322	322	57	60	63
Provinces and municipalities	-	-	-	60	64	64	54	57	60
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	8 030	-	-	-	-	-	-	-	-
Households	19 029	25 291	27 154	3	258	258	3	3	3
Payments for capital assets	10 076	7 223	9 188	19 906	20 537	20 537	5 957	4 498	4 757
Buildings and other fixed structures	-	2 000	62	16 417	1 027	1 027	766	804	851
Machinery and equipment	3 052	5 223	9 126	3 227	19 248	19 248	5 126	3 626	3 834
Heritage assets	-	-	-	200	200	200	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	7 018	-	-	-	-	-	-	-	-
Software and other intangible assets	6	-	-	62	62	62	65	68	72
Payments for financial assets	28	12	38	-	-	-	-	-	-
Total	202 297	225 853	225 901	297 458	296 003	296 003	273 866	292 396	300 901

The increase in Strategic Human Resources from 2012/13 to 2013/14 is attributed to additional funding for the refurbishment and renovations to the Training Academy, which was to be redirected to fund the construction of the new Training Academy in Westville. As previously mentioned, in 2013/14, Cabinet approved the centralisation of the external bursaries budget under the OTP. Although the department received a once-off amount of R7.555 million in 2013/14 for Zimele, these funds were later shifted to Programme 1 against the Premier Support sub-programme. The bursary funding was removed from 2015/16 in line with the decentralisation of this function back to the departments from where the funds came. The decrease in the 2015/16 Adjusted Appropriation can be ascribed to the fact that an amount of R15.690 million for the construction of the Training Academy was suspended to 2016/17. However, these funds will not be returned to the department's baseline, in line with the budget cuts. The internal bursary programme housed under the OTP moved to Programme 3, as explained earlier. The decrease in 2016/17 and 2018/19 is mainly attributed to the previously mentioned budget cuts relating to the reduction of the Training Academy budget under *Buildings and other fixed structures*, while the increase in 2017/18 provides for bursaries.

Information Communication Technology (ICT) increases steadily from 2012/13 to the 2016/17 MTEF despite the restructuring process, which saw the Nerve Centre funds being moved from this sub-programme to the Provincial Policy Management sub-programme under Programme 3. Also, as from 2015/16, the Auxiliary Services unit was moved to this sub-programme, accounting for the significant increase in the 2015/16 Main Appropriation. The increase in the 2015/16 Adjusted Appropriation is due to the provision for LAN upgrades. The decrease in 2016/17, as well as the below inflationary growth over the 2016/17 MTEF, are mainly due to the MTEF budget cuts effected on *Machinery and equipment*.

The amount against the Legal Services sub-programme from 2012/13 includes additional funds made available, through reprioritisation from other sub-programmes, to cater for costs relating to the OSD for legal practitioners. The increase in 2013/14 was to cater for the second phase of OSDs for legal

practitioners. The below inflationary growth over the 2016/17 MTEF is mainly attributed to the previously mentioned budget cuts effected on *Goods and services*.

The amounts against the Communication Services sub-programme increased from 2013/14 onward as a result of the increased demand for communication publications, such as *Simama* and, as a result, a substantial amount was received from other departments in respect of *Simama*. As previously mentioned, during 2013/14, Cabinet approved the centralisation of parts of the communications budget under the OTP, explaining the increase from that year. The decrease in 2014/15 can be ascribed to the re-imbursement of funds to DARD, as it erred in determining the figures when parts of the communications budgets were centralised. The increase from the 2015/16 Main to the Adjusted Appropriation is as a result of reprioritisation from other programmes to this sub-programme towards the communications budget within the OTP. The decrease in 2016/17, as well as the below inflationary growth over the 2016/17 MTEF, are the result of the previously mentioned budget cuts effected on *Goods and services*.

The Special Programmes sub-programme was moved from Programme 3 to this programme in 2015/16, and includes Integrity Management and Democracy Support Services. The 2012/13 amount includes once-off additional funding for the LIV Orphanage, as mentioned. This accounts for the drop in 2013/14. OSS was previously included in the Special Programmes sub-programme, but moved to the Premier's Priority Programmes sub-programme. The OSS funds were also surrendered in 2014/15 with an understanding that the funding would be re-allocated to the department in 2015/16, hence the increase in that year, and a slight drop in 2016/17. The decrease in 2016/17, as well as the below inflationary growth over the 2016/17 MTEF are mainly due to the previously mentioned budget cuts effected on *Goods and services* and *Machinery and equipment*.

The Intergovernmental Relations sub-programme amount in 2012/13 is mainly attributed to once-off additional funding for the establishment of the KZN Climate Change Council, and this accounts for the decrease in 2013/14. The increase in 2014/15 was due to additional funding for the African Economic Expansion Summit which took place in November 2014. The reduction in the 2015/16 Adjusted Appropriation can be ascribed to savings that were reprioritised to other spending pressures. The below inflationary growth over the 2016/17 MTEF is mainly attributed to the previously mentioned budget cuts effected on *Goods and services*.

The amount against *Compensation of employees* from 2012/13 onward is a result of filling of critical vacant posts in line with the moratorium on the filling of non-critical posts. The increase from 2012/13 to 2013/14 is due to the substantial reprioritisation to fully cater for the costs relating to the OSD for legal practitioners, as well as to cater for the above-budget 2013 wage agreement. The significant increase from 2014/15 to 2015/16 is mainly attributed to the implementation of the new organisational structure. The reduction in the 2015/16 Adjusted Appropriation can be ascribed to savings as a result of posts being filled later than originally anticipated. These funds were mainly moved to *Goods and services* to cater for the PEMP communication costs, as well as the new office accommodation lease for the PEMP operations centre. The decrease in 2018/19 is mainly attributed to the previously mentioned budget cuts related to the non-filling of all non-OSD posts. However, it must be noted that, in the 2016/17 MTEF, the department has budgeted for vacant OSD posts in respect of legal professionals.

Goods and services reflects a significant increase from 2012/13 to 2013/14, largely because of additional funding received for renovations of the Training Academy. These funds were to be utilised for the construction of a new Training Academy in Westville from 2015/16 onward. However, as mentioned, these funds have been removed from the department's baseline to fund budget cuts. The substantial increase from 2013/14 is attributed to the centralisation of parts of the communications budget under the OTP. The decrease in 2014/15 can be ascribed to the re-imbursement of funds to DARD, as it had given more than it was supposed to when parts of the communications budget were centralised. The significant increase from 2014/15 to 2015/16 is attributed to the implementation of the new organisational structure, as well as the changes in the structure, which sees some responsibilities, such as Auxiliary and Security Services, move to the Information Communication Technology sub-programme in Programme 2. The decrease in 2016/17, as well as the below inflationary growth over the 2016/17 MTEF, are mainly attributed to the previously mentioned budget cuts.

Transfers and subsidies to: Provinces and municipalities over the 2016/17 MTEF caters for motor vehicle licence fees. It must be noted that prior year figures relating to motor vehicle licences are not reflected in this Programme, but in Programme 1, where Auxiliary Services was moved from, as mentioned.

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

The amounts against *Transfers and subsidies to: Households* from 2012/13 cater for the high demand of the Provincial Bursary programme. The substantial increase in 2013/14 and 2014/15 relates to the suspension of funds from other departments to the Provincial Bursary programme, which was centralised under the OTP. This programme has been decentralised back to departments accounting for the significant drop from 2015/16 and over the 2016/17 MTEF. It is noted that the external bursary budget of the OTP resides in Programme 3 against the sub-programme: Premier's Priority Programmes from 2015/16 onward. The department did not adjust for prior year comparatives as information is not kept at that level.

Spending against *Buildings and other fixed structures* in 2013/14 and 2014/15 pertains to the Premier's Parkside residence and the Training Academy. As previously explained, the Training Academy will continue to function from its current location for the present, since the funds for building a new Training Academy are no longer available as a result of the cuts effected over the MTEF.

The high spending against *Machinery and equipment* in 2012/13 and 2014/15 relates to the acquisition of office furniture and equipment in line with the recruitment plan. A substantial amount was moved into this category in the 2015/16 Adjusted Appropriation for office furniture and equipment for new appointments, for the enhancement of security systems, tracking devices, as well as departmental vehicles. The significant decrease in 2016/17 and 2017/18 is mainly attributed to the previously mentioned budget cuts.

In 2012/13, an amount of R7.018 million was spent against *Land and subsoil assets* to provide for the purchase of land behind the Moses Mabhida building, procured to provide parking facilities for departmental officials in the Pietermaritzburg CBD. It must be noted that funds have been reprioritised for the construction of secured parking facilities on this site.

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

The department wrote off various losses against *Payments for financial assets* from 2012/13 to 2014/15.

Service delivery measures – Programme 2: Institutional Development

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

It is noted that the OTP sector has not yet agreed on standardised service delivery measures. Also note that only a few main measures are reflected below, and the full set of measures is detailed in the department's APP. The performance target "New" in the 2015/16 Estimated performance illustrate that the indicator did not exist in 2015/16, and that it is a new indicator from 2016/17 onward.

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

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
1. Strategic Human Resources					
1.1 Technical human resource management support services	<ul style="list-style-type: none"> No. of quarterly reports on technical support services provided to all HR units in the provincial government of KZN on policy development 	4	4	4	4
1.2 Integrated Public Sector HRD strategy and Professional Support Programme	<ul style="list-style-type: none"> One Integrated Public Sector HRD strategy and Professional Support Programme updated and implemented 	New	Draft compiled	Consultation and approval	Implementation and monitoring

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

Table 10: Service delivery measures – Programme 2: Institutional Development						
Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2015/16	2016/17	2017/18	2018/19
2. Information Communication Technology						
2.1	IT governance assessment reports	<ul style="list-style-type: none">No. of 6 monthly provincial departments' IT governance assessment co-ordination reports submitted to G and A Cluster	4 quarterly IT projects progress reports to MANCO	2	2	2
3. Legal Services						
3.1	Constitutionally compliant provincial laws, appropriate provincial legislation	<ul style="list-style-type: none">No. of provincial laws (bills, regulations and proclamations) certified	10	10	10	10
4. Communication Services						
4.1	Effective and efficient communication engagement	<ul style="list-style-type: none">No. of media engagements facilitated for the Premier	50	50	50	50
5. Special Programmes						
5.1	Integrity conferences	<ul style="list-style-type: none">No. of Integrity leadership conferences	1	-	1	-
5.2	Annual performance plans for each human rights target group	<ul style="list-style-type: none">No. of annual performance business plans for human rights target groups: 1 x gender, 1 x disability, 1 x children; and 1 x senior citizens	1 per group, 4 total	1 per group, 4 total	1 per group, 4 total	1 per group, 4 total
5.3	Ombudsperson co-ordination	<ul style="list-style-type: none">No. of OTP Ombudsperson reports	1	2	4	4
5.4	Annual performance plans for each human rights target group	<ul style="list-style-type: none">No. of performance business plans for human rights target groups: 1 x gender, 1 x disability, 1 x children; and 1 x senior citizens	1 per group, 4 total	1 per group, 4 total	1 per group, 4 total	1 per group, 4 total
6. Intergovernmental Relations (IGR)						
6.1	Technical Premier's forum meetings	<ul style="list-style-type: none">No. of IGR Technical Premier's forum decision matrices	4	4	4	4

6.3 Programme 3: Policy and Governance

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

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

There are four sub-programmes supporting this programme over the 2016/17 MTEF, namely Provincial Policy Management, Premier's Priority Programmes, Royal Household and Heritage. This programme

does not fully conform to the generic programme structure of the sector at this stage, and this is in the process of being reviewed by the department.

It must be noted that there were several functions that moved out of Programmes 3 to Programme 2 to enhance operational efficiency during 2015/16. As mentioned, these include the Special Programmes and the Intergovernmental Relations sub-programmes. This was done to align the financial and organisational structures. The department was unable to provide prior year comparatives for these adjustments across sub-programmes due to financial records not being kept at this level. However, historical figures were adjusted for the Royal Household sub-programme for comparative purposes.

Tables 1.19 and 1.20 below provide a summary of payments and estimates for these four sub-programmes for the period 2012/13 to 2018/19. As mentioned, it must be noted that, following the signing of the proclamation to amalgamate Vote 1 and Vote 10, the baseline available for Programme 3 is reduced by the first charge (shown below the total line) that was imposed on Vote 10 and must therefore be honoured in line with a SCOPA resolution.

It is noted that the department effected the budget cuts against all sub-programmes in this programme in respect of *Goods and services, Transfers and subsidies to: Departmental agencies and accounts, Buildings and other fixed structures and Machinery and equipment*, as explained below. The cuts against this programme over the MTEF amount to R48.085 million, R45.845 million and R49.534 million.

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Provincial Policy Management	50 343	47 060	27 382	67 460	52 964	52 964	64 160	67 776	70 058
2. Premier's Priority Programmes	169 894	139 504	119 647	130 925	143 056	143 056	119 798	128 087	135 731
3. Royal Household	61 367	67 896	51 516	57 604	75 104	75 104	48 863	51 670	55 007
4. Heritage	57 531	55 821	96 346	69 640	68 340	68 340	59 450	63 333	67 072
Total	339 135	310 281	294 891	325 629	339 464	339 464	292 271	310 866	327 868
Unauth. Exp. (1st charge) not available for spending	(1 800)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 194)	-	-
Baseline available for spending after 1st charge	337 335	307 781	292 391	323 129	336 964	336 964	290 077	310 866	327 868

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	268 693	241 831	219 423	246 985	244 032	244 032	222 930	242 298	254 886
Compensation of employees	103 370	72 776	52 180	76 807	73 832	73 832	94 155	98 842	97 653
Goods and services	165 323	169 055	167 243	170 178	170 200	170 200	128 775	143 456	157 233
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	37 594	45 269	62 771	66 303	70 315	70 315	55 367	59 845	63 753
Provinces and municipalities	-	-	4 865	-	-	-	-	-	-
Departmental agencies and accounts	36 960	44 395	53 311	58 392	62 392	62 392	45 195	48 764	52 029
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	4 226	-	-	-	-	-	-
Households	634	874	369	7 911	7 923	7 923	10 172	11 081	11 724
Payments for capital assets	30 880	20 662	12 663	9 831	22 607	22 607	9 586	8 723	8 977
Buildings and other fixed structures	12 738	15 391	8 787	3 212	9 112	9 112	1 171	1 230	1 301
Machinery and equipment	851	924	1 451	2 619	11 036	11 036	3 915	2 938	2 857
Heritage assets	10 794	4 347	2 425	4 000	2 459	2 459	4 500	4 555	4 819
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	6 497	-	-	-	-	-	-	-	-
Payments for financial assets	1 968	2 519	34	2 500	2 500	2 500	4 388	-	252
Total	339 135	310 281	294 891	325 619	339 454	339 454	292 271	310 866	327 868
Unauth. Exp. (1st charge) not available for spending	(1 800)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 194)	-	-
Baseline available for spending after 1st charge	337 335	307 781	292 391	323 119	336 954	336 954	290 077	310 866	327 868

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

decrease in 2014/15 was a result of a virement from the programme to other programmes to offset spending pressures. The increase in 2016/17 caters for the OSS initiatives.

The sub-programme: Premier's Priority Programmes was high in 2012/13 as a result of additional funding of R5 million for OSS projects, R5 million for the African Renaissance project, as well as R34.080 million for the stipends of the youth ambassadors and a once-off R20 million in respect of the SANDF training of the youth ambassadors. Additional funding was also received for the African Renaissance project, the OSS Diakonia Council of Churches, as well as the Inkululeko Development Programme as part of the OSS initiatives. As mentioned, the Youth Ambassadors' programme has been discontinued and a new Youth chief directorate has been established, accounting for the decrease in 2013/14. The further decrease in 2014/15 is attributed to the fact that an amount of R14 million to cater for OSS was suspended and re-allocated in 2015/16, accounting for the increase in 2015/16. The department received R10.270 million for the establishment of an operations centre for the implementation of the PEMP during the 2015/16 Adjusted Appropriation, with carry-through over the 2016/17 MTEF. The decrease in 2016/17, as well as the below inflationary growth over the 2016/17 MTEF, are mainly attributed to the previously mentioned budget cuts effected on *Goods and services* and *Machinery and equipment*. It is noted that the cuts were not effected against the PEMP operations centre, in respect of which additional funding was allocated.

The sub-programme: Royal Household is relatively new to this programme and the department, following the proclamation to combine Votes 1 and 10. As such, the former Vote 10 is now a sub-programme under Vote 1. Royal Household (including the RHT) received additional funding in 2011/12 (not evident in table) for renovations and maintenance of Royal Residences, which came to an end in 2013/14, in line with project requirements. As mentioned, the proclamation to amalgamate the OTP and DRH was signed and implemented with effect from 1 April 2015. As such, DRH and the RHT now fall under the auspices of the OTP, including the transfer of staff thereof. As previously mentioned, DRH has a first charge that must be honoured over the 2016/17 MTEF, as shown in the table. The OTP reprioritised an amount of R17.500 million for this sub-programme during the 2015/16 Adjusted Appropriation to cater for urgent outstanding 2014/15 invoices that required payment, of which R4 million was to the RHT. This accounts for the significant decrease in 2016/17. It is noted that the sub-programme shows fairly low growth over the MTEF, exacerbated by the MTEF budget cuts against *Goods and services*, *Transfers and subsidies to: Departmental agencies and accounts* (in respect of the cuts to the RHT), as well as *Buildings and other fixed structures*, as detailed earlier.

The sub-programme: Heritage fluctuates from 2012/13 to 2015/16. An amount of R1.500 million for the Heritage sub-programme was allocated in 2013/14 for Amafa for the procurement of once-off capital requirements associated with their turnaround strategy. A further once-off additional funding of R3.059 million was allocated to Amafa in 2014/15 for its application to attain World Heritage status for the Emakhosini Valley. The significant increase in 2014/15 was a result of once-off additional funds mainly to cater for projects such as St. Helena Prisoners of War, Isandlwana and Heroes' Acre projects, 20 years of democracy celebrations, as well as procurement of once-off capital requirements associated with Amafa's turnaround strategy, accounting for the decrease in the 2015/16 Main Appropriation. Also, in 2014/15, additional funds were reprioritised from within the department to Amafa for the purchase of vehicles and salary related costs. It is noted that the sub-programme shows fairly low growth, exacerbated by the MTEF budget cuts, which were effected against *Goods and services*, *Transfers and subsidies to: Departmental agencies and accounts* (in respect of the cuts to Amafa), as well as *Machinery and equipment*, as detailed earlier.

The substantial 2012/13 amount against *Compensation of employees* was due to the additional funding for the Youth Ambassadors' programme. The decrease from 2013/14 is a result of the reduction in the appointment of youth ambassadors, which saw their numbers reduced from 3 024 to zero from 2014/15 onward, as the department decided to do away with the programme and rather establish a Youth chief directorate. The decrease in 2018/19 is mainly due to the previously mentioned budget cuts in respect of the freezing of all vacant non-OSD posts.

The spending against *Goods and services* includes the carry-through costs of additional funding for the Youth Ambassadors' programme, as well as additional funding for the PPC and the Nerve Centre. The

amount in 2012/13 includes additional funding for the youth ambassadors' training by SANDF. The increase in 2013/14 and 2014/15 relates to additional funding for the National Choral Music Awards ceremony, Crown Gospel Awards, OSS Diakonia Council of Churches, African Economic Expansion Summit, OSS, roll-over in respect of Premier's Parkside residence and Zimele. This accounts for the reduction from 2015/16. The decrease in 2016/17, as well as the below inflationary growth over the 2016/17 MTEF, are mainly attributed to the previously mentioned budget cuts.

Transfers and subsidies to: Provinces and municipalities reflects a high amount in 2014/15 due to a once-off transfer to the eThekweni Metro for the implementation of the commemoration monument in respect of the arrival of the Indian indentured labourers in South Africa. Unfortunately, this monument has not yet been built and unveiled by the Metro, as a result of unforeseen delays with stakeholders. There is steady growth over the 2016/17 MTEF.

The transfers to Amafa and the RHT account for the amounts against *Transfers and subsidies to: Departmental agencies and accounts*. The increase in 2013/14 was because of the additional funding for the procurement of once-off capital requirements related to Amafa's turnaround strategy, accounting for the decrease in 2014/15. In 2014/15, Amafa received additional funding for the turnaround strategy, once-off capital requirements, as well as funds to apply for World Heritage status for the Emakhosini Valley. The increase in the 2015/16 allocation was mainly due to the shift of funds to the department in respect of the RHT allocation. This shift related to the fact that the department continued to pay salaries for the staff who are performing functions on behalf of the RHT, pending the finalisation of negotiations with organised labour. The OTP reprioritised a further R4 million for the RHT during the 2015/16 Adjusted Appropriation to cater for urgent outstanding invoices that required payment accounting for the dip in 2016/17. The decrease in 2016/17, as well as the below inflationary growth over the 2016/17 MTEF, are mainly attributed to the previously mentioned budget cuts, which also affected the department's public entities.

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

The budget against *Households* increases significantly from 2015/16 and over the 2016/17 MTEF due to the fact that OTP's external bursaries now reside in the Youth chief directorate against this programme. The significant increase in 2015/16 and over the 2016/17 MTEF is mainly a result of reprioritisation towards bursaries, as well as youth programmes.

Buildings and other fixed structures caters for the rehabilitation of the Royal Household palaces. The amounts from 2012/13 to the 2015/16 Adjusted Appropriation are higher as a result of once-off additional funds in different years, mainly for the maintenance and roof repairs to various palaces, such as eNyokeni, KwaKhangela, Ingwavuma, KwaDlamahlaha, Ondini, Khetha, etc. Also, there was reprioritisation of R5 million (in 2015/16) originally allocated for the OSS Diakonia Council of Churches towards maintenance of palaces, specifically at eNyokeni and KwaKhangela. The significant decrease in 2016/17, as well as the below inflationary growth over the 2016/17 MTEF, are mainly attributed to the Training Academy budget cut. As mentioned, this facility will no longer be constructed in lieu of the cut and the department is renegotiating with DOE with regard to space so that the work done by the Training Academy can continue unaffected.

The amounts against *Machinery and equipment* from 2012/13 onward relate to the purchase of office furniture and computer equipment for newly appointed staff. As mentioned, there was a substantial increase in the 2015/16 Adjusted Appropriation to provide for departmental vehicles, including the Queens' vehicles, office furniture and equipment, accounting for the decrease over the 2016/17 MTEF.

The amount against *Heritage assets* was high in 2012/13 as a result of the building of wax statues to honour former ANC Presidents and King Shaka in various sites in KZN. The 2013/14 amount caters for the erection of 18 historical graves and the building of six memorials or monuments. The 2014/15 amount can be ascribed to internal reprioritisation to fund the Heroes Acre and Isandlwana projects, as well as the roll-over in respect of the St Helena Prisoners of war. The reduction in the 2015/16 Adjusted

Appropriation can be ascribed to savings that were reprioritised towards the maintenance of palaces. The amounts over the 2016/17 MTEF include the budget for heritage events, as well as unveilings, walls of remembrance and erection of tombstones, as identified by the Premier. The below inflationary growth over the 2016/17 MTEF is mainly ascribed to the previously mentioned budget cuts.

The 2012/13 amount against *Software and other intangible assets* relates to the Nerve Centre. No funds have been allocated over the 2016/17 MTEF because, at this stage, all the required software has been purchased for the Nerve Centre. The necessary adjustments will be made in-year should any further purchases be required.

Payments for financial assets relates to losses written-off, as well as the first charge against Royal Household, as mentioned earlier with the final instalment being due in 2016/17.

Service delivery measures – Programme 3: Policy and Governance

Table 1.21 below provides information on the service delivery measures pertaining to Programme 3. It is noted that the OTP sector has not yet agreed on standardised service delivery measures. Note that only a few main measures are reflected below, and the full set of measures is detailed in the department's APP.

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

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
1. Provincial Policy Management					
1.1 Macro Policy Development and Co-ordination					
1.1.1 Policy audit reports	• No. of policy audit reports	2	2	2	2
2. Premier's Priority Programmes					
2.1 Effective and efficient stakeholder engagement co-ordination (strategic partnerships, community outreach)	• No. of provincial stakeholder Forum meetings	4	4	4	4
2.2 Youth development and empowerment	• No. of updated annual business plans on youth development programmes	Youth strategy draft refined and prog. drafted	1	1	1
2.3 Youth forum co-ordination reports	• No. of quarterly monitoring reports on youth forums establishment and supported	4	4	4	4
2.4 Strategic partnership forums	• No. of forum meetings with each sector 1 x NGO, 1 x business 1 x Traditional Authority 1 x Religious sector	4	4	4	4
3. King's Support and Royal Household					
3.1 Amakhosi installed	• No. of Amakhosi installed statutorily	5	5	5	5
4. Heritage					
4.1 Awareness	• No. of heritage profiling events	4	6	8	10
4.2 Heritage memory infrastructure developed	• No. of monuments or memorials erected	4	6	8	10
4.3 Monitoring reports on Amafa Council performance	• No. of Amafa monitoring reports	4	3	3	3

7. Other programme information

7.1 Personnel numbers and costs

Tables 1.22 and 1.23 reflect the personnel estimates for the OTP, per programme, as well as a further breakdown of categories of personnel. The Finance component incorporates financial and management accounting services and supply chain management.

It must be noted that, although personnel numbers seem to be decreasing, this is because the department has decided not to continue with the Youth Ambassadors programme, hence no youth ambassadors were appointed from 2014/15. However, the actual permanent personnel increased as a result of the above mentioned proclamation that amalgamated Votes 1 and 10. As a result, 106 employees were transferred from Vote 10 after all negotiations with stakeholders including labour unions.

The department will no longer fill the posts it intended to fill on the approved organisational structure due to the freezing of all non-OSD posts. This will be reviewed in-year, though.

Table 1.22 : Personnel numbers and costs by programme

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	165	167	182	92	92	92	92
2. Institutional Development	157	157	197	234	234	234	234
3. Policy and Governance	3 135	2 077	109	185	185	185	185
of which							
Youth Ambassadors	3 024	1 966	-	-	-	-	-
Total	3 457	2 401	488	511	511	511	511
Total provincial personnel cost (R thousand)	232 908	213 622	206 276	251 600	275 611	287 732	303 740
Unit cost (R thousand)	67	89	423	492	539	563	594

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

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Total for the department									
Personnel numbers (head count)	3 457	2 401	488	522	511	511	511	511	511
Personnel cost (R thousands)	232 908	213 622	206 276	262 949	251 600	251 600	275 611	287 732	303 740
Human resources component									
Personnel numbers (head count)	19	114	114	237	157	157	160	160	160
Personnel cost (R thousands)	4 474	48 017	45 063	60 445	58 445	58 445	63 208	66 368	36 496
Head count as % of total for department	0.55	4.75	23.36	45.40	30.72	30.72	31.31	31.31	31.31
Personnel cost as % of total for department	1.92	22.48	21.85	22.99	23.23	23.23	22.93	23.07	12.02
Finance component									
Personnel numbers (head count)	105	105	105	85	52	52	54	54	54
Personnel cost (R thousands)	62 725	26 295	34 627	26 970	21 826	21 826	23 986	25 281	26 749
Head count as % of total for department	3.04	4.37	21.52	16.28	10.18	10.18	10.57	10.57	10.57
Personnel cost as % of total for department	26.93	12.31	16.79	10.26	8.67	8.67	8.70	8.79	8.81
Full time workers									
Personnel numbers (head count)	433	435	488	522	511	511	511	511	511
Personnel cost (R thousands)	170 554	166 984	206 276	262 949	251 600	251 600	275 611	287 732	303 740
Head count as % of total for department	12.53	18.12	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Personnel cost as % of total for department	73.23	78.17	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousands)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	3 024	1 966	-	-	-	-	-	-	-
Personnel cost (R thousands)	62 354	46 638	-	-	-	-	-	-	-
Head count as % of total for department	87	82	-	-	-	-	-	-	-
Personnel cost as % of total for department	27	22	-	-	-	-	-	-	-

Contract workers consist of staff employed on a contractual basis, including staff required for special programmes. From 2012/13 to 2013/14, the hike in contract worker numbers was mainly in respect of the youth ambassadors, which have since been ceased.

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

7.2 Training

Tables 1.24 and 1.25 reflect payments and estimates on training per programme, providing actual and estimated expenditure on training for the period 2012/13 to 2015/16 and budgeted expenditure for the period 2016/17 to 2018/19. The department is required by the Skills Development Act to budget at least one per cent of its salary expense for staff training. The department has set aside one per cent of the total personnel costs in this regard. The training needs will be reviewed on an ongoing basis. This requirement gives credence to government policy on human resource development.

The budget decreases over the 2016/17 MTEF due to budget cuts. The available funds will be utilised to develop and re-skill existing staff in line with the revised strategies of the department, where appropriate. The amount in 2012/13 includes the R20 million allocated for the youth ambassador training by SANDF. The department has since decided not to continue with the Youth Ambassadors' programme.

Table 1.24 : Payments on training by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Administration	148	351	877	480	480	480	475	455	481
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	148	351	877	480	480	480	475	455	481
2. Institutional Development	1 261	2 756	1 058	6 297	5 597	5 597	3 191	3 320	3 686
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	1 261	2 756	1 058	6 297	5 597	5 597	3 191	3 320	3 686
3. Policy and Governance	27 139	18	691	1 023	993	993	850	770	815
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	27 139	18	691	1 023	993	993	850	770	815
Total	28 548	3 125	2 626	7 800	7 070	7 070	4 516	4 545	4 982

Table 1.25 : Information on training: Office of the Premier

R thousand	Audited 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 staff	3 457	2 401	488	522	511	511	511	511	511
Number of personnel trained	106	136	254	300	300	300	300	300	300
of which									
Male	39	44	86	120	120	120	120	120	120
Female	67	92	168	180	180	180	180	180	180
Number of training opportunities	18	106	18	-	-	-	-	-	-
of which									
Tertiary	-	-	-	-	-	-	-	-	-
Workshops	12	-	12	-	-	-	-	-	-
Seminars	6	-	6	-	-	-	-	-	-
Other	-	106	-	-	-	-	-	-	-
Number of bursaries offered	45	45	-	32	32	32	35	40	40
Number of interns appointed	38	38	48	39	39	39	29	29	29
Number of learnerships appointed	-	-	-	-	-	-	-	-	-
Number of days spent on training	-	-	-	-	-	-	-	-	-

The increase in the number of training opportunities reflected from 2012/13 onwards is due to the appointment of a skills development facilitator who ensured that training gaps identified in the Personal Development Plans were dealt with, resulting in increased training opportunities.

ANNEXURE – VOTE 1: OFFICE OF THE PREMIER

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	170	191	174	230	230	197	245	258	273
Sale of goods and services produced by department (excluding capital assets)	170	191	174	230	230	197	245	258	273
Sale by market establishments	-	2	-	-	-	-	-	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Other sales	170	189	174	230	230	197	245	258	273
Of which									
Serv rend Commission Insurance	170	160	174	190	190	190	200	210	222
Sales: Dept publications	-	-	-	40	40	40	45	48	50
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	-	-	-	-	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	5	4	5	1	1	23	1	1	1
Interest	5	4	5	1	1	23	1	1	1
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	180	554	1 143	270	270	270	287	311	329
Land and sub-soil assets	180	-	-	-	-	-	-	-	-
Other capital assets	-	554	1 143	270	270	270	287	311	329
Transactions in financial assets and liabilities	567	157	402	35	35	433	40	42	44
Total	922	906	1 724	536	536	923	573	612	648

Estimates of Provincial Revenue and Expenditure

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2012/13	2013/14	2014/15	Appropriation	Appropriation	Estimate	2016/17	2017/18	2018/19
Current payments	570 960	605 567	596 065	642 487	618 204	618 204	581 088	622 058	662 655
Compensation of employees	232 908	213 622	206 276	262 949	251 600	251 600	275 611	287 732	303 740
Salaries and wages	214 574	193 423	186 615	228 657	222 755	222 755	250 467	261 471	275 958
Social contributions	18 334	20 199	19 661	34 292	28 845	28 845	25 144	26 261	27 782
Goods and services	338 052	391 945	389 789	379 538	366 604	366 604	305 477	334 326	358 915
Administrative fees	2 033	1 160	310	16 057	6 488	6 488	6 483	5 469	2 529
Advertising	17 926	60 668	44 866	43 527	43 546	43 546	39 751	43 922	47 172
Assets less than capitalisation threshold	794	1 124	1 183	4 494	4 861	4 861	7 370	8 567	9 055
Audit cost: External	4 380	5 197	5 940	3 697	7 496	7 496	4 338	5 472	5 880
Bursaries: Employees	127	77	264	902	332	332	1 444	1 606	1 698
Catering: Departmental activities	7 125	18 275	26 469	20 931	18 190	18 190	16 225	20 366	21 967
Communication (G&S)	10 467	10 627	9 977	13 882	11 753	11 753	13 513	11 285	11 938
Computer services	36 824	30 511	35 415	55 313	47 573	47 573	32 727	36 759	39 572
Cons & prof serv: Business and advisory services	74 569	70 517	44 893	45 563	35 582	35 582	36 922	35 288	41 577
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	74	333	1 699	297	272	272	265	275	290
Contractors	24 905	76 280	105 473	45 095	34 840	34 840	22 651	28 092	29 789
Agency and support / outsourced services	17 491	1 661	2 553	4 600	4 600	4 600	5 216	5 961	6 617
Entertainment	374	1 273	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	2 965	4 362	4 916	3 560	3 769	3 769	5 876	6 759	7 149
Housing	-	10	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	20	-	-	-	-	10	15	16
Inventory: Farming supplies	-	59	-	-	-	-	-	-	-
Inventory: Food and food supplies	1 907	63	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	38	2	-	-	-	-	-	-	1
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	382	34	-	-	-	-	-	-	-
Inventory: Medical supplies	13	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	780	-	433	-	-	-	-	-	-
Consumable supplies	356	2 171	1 387	3 051	3 873	3 873	4 436	4 681	4 949
Consumable: Stationery, printing and office supplies	7 953	8 104	4 985	7 982	14 624	14 624	10 298	13 728	14 652
Operating leases	11 656	11 924	9 650	11 939	13 198	13 198	10 622	12 634	13 407
Property payments	16 274	10 726	15 203	9 695	11 677	11 677	12 496	13 631	15 005
Transport provided: Departmental activity	7 188	16 728	18 769	18 223	16 768	16 768	11 206	12 952	13 855
Travel and subsistence	33 103	35 711	32 780	51 520	44 055	44 055	44 023	47 079	50 356
Training and development	28 548	3 125	2 626	7 800	7 070	7 070	4 516	4 545	4 982
Operating payments	3 509	252	1 496	1 341	1 400	1 400	678	244	259
Venues and facilities	26 198	20 932	18 502	10 069	34 637	34 637	14 411	14 996	16 200
Rental and hiring	93	19	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	80 880	71 623	91 709	67 411	71 717	71 717	56 488	61 022	64 998
Provinces and municipalities	15 035	16	4 924	60	64	64	54	57	60
Provinces	35	16	59	60	64	64	54	57	60
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	35	16	59	60	64	64	54	57	60
Municipalities	15 000	-	4 865	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	15 000	-	4 865	-	-	-	-	-	-
Departmental agencies and accounts	36 960	44 395	53 311	58 392	62 392	62 392	45 195	48 764	52 029
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	36 960	44 395	53 311	58 392	62 392	62 392	45 195	48 764	52 029
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	8 030	-	4 226	-	-	-	-	-	-
Households	20 855	27 212	29 248	8 959	9 261	9 261	11 239	12 201	12 909
Social benefits	1 799	1 024	1 025	7 914	7 914	7 914	10 175	12 201	12 909
Other transfers to households	19 056	26 188	28 223	1 045	1 347	1 347	1 064	-	-
Payments for capital assets	43 959	41 353	34 369	30 816	45 373	45 373	16 680	14 419	14 999
Buildings and other fixed structures	12 743	24 272	10 049	19 629	10 139	10 139	1 937	2 034	2 152
Buildings	-	8 881	1 262	15 690	8 727	8 727	-	-	-
Other fixed structures	12 743	15 391	8 787	3 939	1 412	1 412	1 937	2 034	2 152
Machinery and equipment	6 888	12 734	21 895	6 925	32 513	32 513	10 178	7 762	7 956
Transport equipment	2 126	5 129	376	2 821	12 664	12 664	2 972	2 659	2 814
Other machinery and equipment	4 762	7 605	21 519	4 104	19 849	19 849	7 206	5 103	5 142
Heritage assets	10 794	4 347	2 425	4 200	2 659	2 659	4 500	4 555	4 819
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	7 018	-	-	-	-	-	-	-	-
Software and other intangible assets	6 516	-	-	62	62	62	65	68	72
Payments for financial assets	1 996	2 531	96	2 500	2 500	2 500	4 388	-	252
Total	697 795	721 074	722 239	743 214	737 794	737 794	658 644	697 499	742 904
Unauth. Exp. (1st charge) not available for spending	(1 800)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 194)	-	-
Baseline available for spending after 1st charge	695 995	718 574	719 739	740 714	735 294	735 294	656 450	697 499	742 904

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	137 133	170 409	187 121	118 013	99 028	99 028	90 306	91 923	111 688
Compensation of employees	56 799	63 500	74 941	63 968	61 168	61 168	58 414	59 228	76 518
Salaries and wages	51 014	57 210	71 862	55 516	55 337	55 337	53 394	53 687	70 656
Social contributions	5 785	6 290	3 079	8 452	5 831	5 831	5 020	5 541	5 862
Goods and services	80 334	106 909	112 180	54 045	37 860	37 860	31 892	32 695	35 170
Administrative fees	456	277	96	986	991	991	2 412	250	264
Advertising	1 306	140	253	280	280	280	125	75	79
Assets less than capitalisation threshold	287	376	547	672	664	664	817	1 271	1 341
Audit cost: External	2 969	2 868	3 565	2 497	6 296	6 296	4 238	5 362	5 764
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	2 703	3 461	4 523	2 305	1 810	1 810	1 282	1 359	1 437
Communication (G&S)	3 800	4 325	4 047	535	281	281	162	153	162
Computer services	1 869	7 263	10 738	22 061	4 594	4 594	488	1 358	1 477
Cons & prof serv: Business and advisory services	24 710	22 416	9 725	2 269	2 302	2 302	5 412	2 414	2 611
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	2	-	1 660	112	112	112	-	-	-
Contractors	2 408	24 748	36 807	1 984	2 816	2 816	1 367	1 389	1 469
Agency and support / outsourced services	1 679	27	957	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	2 964	2 962	4 014	1	1	1	2	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	552	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	10	-	-	-	-	-	-	-	1
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	28	32	-	-	-	-	-	-	-
Inventory: Medical supplies	1	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	209	394	236	671	701	701	667	662	699
Consumable: Stationery, printing and office supplies	2 152	1 470	1 488	2 634	2 903	2 903	2 559	5 174	5 593
Operating leases	9 568	10 136	7 702	1 557	1 781	1 781	1 610	1 528	1 651
Property payments	8 500	7 137	13 617	835	754	754	877	930	984
Transport provided: Departmental activity	392	527	2 167	150	150	150	160	170	180
Travel and subsistence	11 342	16 005	8 326	13 499	10 792	10 792	8 766	9 632	10 434
Training and development	148	351	220	480	370	370	475	457	483
Operating payments	222	34	80	7	7	7	8	10	11
Venues and facilities	2 040	1 960	1 412	510	255	255	465	501	530
Rental and hiring	17	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	16 227	1 063	1 784	1 045	1 080	1 080	1 064	1 117	1 182
Provinces and municipalities	15 035	16	59	-	-	-	-	-	-
Provinces	35	16	59	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	35	16	59	-	-	-	-	-	-
Municipalities	15 000	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	15 000	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 192	1 047	1 725	1 045	1 080	1 080	1 064	1 117	1 182
Social benefits	1 165	-	-	-	-	-	-	1 117	1 182
Other transfers to households	27	1 047	1 725	1 045	1 080	1 080	1 064	-	-
Payments for capital assets	3 003	13 468	12 518	1 079	2 229	2 229	1 137	1 198	1 265
Buildings and other fixed structures	5	6 881	1 200	-	-	-	-	-	-
Buildings	-	6 881	1 200	-	-	-	-	-	-
Other fixed structures	5	-	-	-	-	-	-	-	-
Machinery and equipment	2 985	6 587	11 318	1 079	2 229	2 229	1 137	1 198	1 265
Transport equipment	1 721	4 428	-	-	-	-	-	-	-
Other machinery and equipment	1 264	2 159	11 318	1 079	2 229	2 229	1 137	1 198	1 265
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	13	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	24	-	-	-	-	-	-
Total	156 363	184 940	201 447	120 137	102 337	102 337	92 507	94 238	114 135

Estimates of Provincial Revenue and Expenditure

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	165 134	193 327	189 521	277 489	275 144	275 144	267 852	287 838	296 081
Compensation of employees	72 739	77 346	79 155	122 174	116 600	116 600	123 042	129 662	129 569
Salaries and wages	64 708	68 582	70 183	106 819	103 870	103 870	110 891	117 341	116 534
Social contributions	8 031	8 764	8 972	15 355	12 730	12 730	12 151	12 321	13 035
Goods and services	92 395	115 981	110 366	155 315	158 544	158 544	144 810	158 176	166 512
Administrative fees	594	311	181	930	3 939	3 939	3 088	4 093	1 074
Advertising	14 950	48 611	38 288	37 925	37 886	37 886	37 316	41 371	44 473
Assets less than capitalisation threshold	416	632	582	2 332	2 357	2 357	3 554	3 769	3 987
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	127	77	264	702	182	182	744	780	825
Catering: Departmental activities	2 588	6 558	6 782	6 500	6 043	6 043	3 578	6 976	7 472
Communication (G&S)	5 271	5 631	5 727	11 422	9 447	9 447	12 963	10 742	11 364
Computer services	11 015	9 926	9 946	27 953	27 923	27 923	19 404	21 702	23 262
Cons & prof serv: Business and advisory services	14 275	2 103	12 539	815	955	955	5 996	5 827	6 417
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	72	333	39	185	160	160	185	190	200
Contractors	4 574	5 618	9 592	11 518	12 083	12 083	7 545	7 681	8 196
Agency and support / outsourced services	4 020	1 521	1 006	900	900	900	1 430	1 591	1 683
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	3 334	3 543	3 543	4 174	4 439	4 695
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	10	15	16
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	381	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	28	-	-	-	-	-	-	-	-
Inventory: Medical supplies	10	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	433	-	-	-	-	-	-
Consumable supplies	144	1 022	114	724	794	794	782	818	865
Consumable: Stationery, printing and office supplies	3 000	4 167	2 451	2 683	4 087	4 087	3 199	3 615	3 835
Operating leases	1 523	1 320	1 378	9 334	10 292	10 292	7 557	9 365	9 914
Property payments	6 947	3 525	1 189	8 764	10 923	10 923	11 564	12 644	13 961
Transport provided: Departmental activity	2 546	4 385	2 081	2 147	2 147	2 147	2 055	2 164	2 443
Travel and subsistence	10 384	10 683	12 948	18 433	16 826	16 826	14 635	15 789	16 786
Training and development	1 261	2 756	2 406	6 306	5 986	5 986	3 191	3 318	3 683
Operating payments	769	65	3	49	219	219	25	29	31
Venues and facilities	7 454	6 718	2 417	2 359	1 852	1 852	1 815	1 258	1 330
Rental and hiring	46	19	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	27 059	25 291	27 154	63	322	322	57	60	63
Provinces and municipalities	-	-	-	60	64	64	54	57	60
Provinces	-	-	-	60	64	64	54	57	60
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	60	64	64	54	57	60
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	8 030	-	-	-	-	-	-	-	-
Households	19 029	25 291	27 154	3	258	258	3	3	3
Social benefits	-	150	656	3	3	3	3	3	3
Other transfers to households	19 029	25 141	26 498	-	255	255	-	-	-
Payments for capital assets	10 076	7 223	9 188	19 906	20 537	20 537	5 957	4 498	4 757
Buildings and other fixed structures	-	2 000	62	16 417	1 027	1 027	766	804	851
Buildings	-	2 000	62	15 690	727	727	-	-	-
Other fixed structures	-	-	-	727	300	300	766	804	851
Machinery and equipment	3 052	5 223	9 126	3 227	19 248	19 248	5 126	3 626	3 834
Transport equipment	-	-	-	1 500	8 143	8 143	1 580	1 659	1 755
Other machinery and equipment	3 052	5 223	9 126	1 727	11 105	11 105	3 546	1 967	2 079
Heritage assets	-	-	-	200	200	200	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	7 018	-	-	-	-	-	-	-	-
Software and other intangible assets	6	-	-	62	62	62	65	68	72
Payments for financial assets	28	12	38	-	-	-	-	-	-
Total	202 297	225 853	225 901	297 458	296 003	296 003	273 866	292 396	300 901

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19
Current payments	268 693	241 831	219 423	246 985	244 032	244 032	222 930	242 298	254 886
Compensation of employees	103 370	72 776	52 180	76 807	73 832	73 832	94 155	98 842	97 653
Salaries and wages	98 852	67 631	44 570	66 322	63 548	63 548	86 182	90 443	88 768
Social contributions	4 518	5 145	7 610	10 485	10 284	10 284	7 973	8 399	8 885
Goods and services	165 323	169 055	167 243	170 178	170 200	170 200	128 775	143 456	157 233
Administrative fees	983	572	33	14 141	1 558	1 558	983	1 126	1 191
Advertising	1 670	11 917	6 325	5 322	5 380	5 380	2 310	2 476	2 620
Assets less than capitalisation threshold	91	116	54	1 490	1 840	1 840	2 999	3 527	3 727
Audit cost: External	1 411	2 329	2 375	1 200	1 200	1 200	100	110	116
Bursaries: Employees	-	-	-	200	150	150	700	826	873
Catering: Departmental activities	1 834	8 256	15 164	12 126	10 337	10 337	11 365	12 031	13 058
Communication (G&S)	1 396	671	203	1 925	2 025	2 025	388	390	412
Computer services	23 940	13 322	14 731	5 299	15 056	15 056	12 835	13 699	14 833
Cons & prof serv: Business and advisory services	35 584	45 998	22 629	42 479	32 325	32 325	25 514	27 047	32 549
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	80	85	90
Contractors	17 923	45 914	59 074	31 593	19 941	19 941	13 739	19 022	20 124
Agency and support / outsourced services	11 792	113	590	3 700	3 700	3 700	3 786	4 370	4 934
Entertainment	374	1 273	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	1	1 400	902	225	225	225	1 700	2 320	2 454
Housing	-	10	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	20	-	-	-	-	-	-	-
Inventory: Farming supplies	-	59	-	-	-	-	-	-	-
Inventory: Food and food supplies	974	63	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	28	2	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	326	2	-	-	-	-	-	-	-
Inventory: Medical supplies	2	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	780	-	-	-	-	-	-	-	-
Consumable supplies	3	755	1 037	1 656	2 378	2 378	2 987	3 201	3 385
Consumable: Stationery, printing and office supplies	2 801	2 467	1 046	2 665	7 634	7 634	4 540	4 939	5 224
Operating leases	565	468	570	1 048	1 125	1 125	1 455	1 741	1 842
Property payments	827	64	397	96	-	-	55	57	60
Transport provided: Departmental activity	4 250	11 816	14 521	15 926	14 471	14 471	8 991	10 618	11 232
Travel and subsistence	11 377	9 023	11 506	19 588	16 437	16 437	20 622	21 659	23 136
Training and development	27 139	18	-	1 014	714	714	850	770	816
Operating payments	2 518	153	1 413	1 285	1 174	1 174	645	205	217
Venues and facilities	16 704	12 254	14 673	7 200	32 530	32 530	12 131	13 237	14 340
Rental and hiring	30	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	37 594	45 269	62 771	66 303	70 315	70 315	55 367	59 845	63 753
Provinces and municipalities	-	-	4 865	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	4 865	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	4 865	-	-	-	-	-	-
Departmental agencies and accounts	36 960	44 395	53 311	58 392	62 392	62 392	45 195	48 764	52 029
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	36 960	44 395	53 311	58 392	62 392	62 392	45 195	48 764	52 029
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	4 226	-	-	-	-	-	-
Households	634	874	369	7 911	7 923	7 923	10 172	11 081	11 724
Social benefits	634	874	369	7 911	7 911	7 911	10 172	11 081	11 724
Other transfers to households	-	-	-	-	12	12	-	-	-
Payments for capital assets	30 880	20 662	12 663	9 831	22 607	22 607	9 586	8 723	8 977
Buildings and other fixed structures	12 738	15 391	8 787	3 212	9 112	9 112	1 171	1 230	1 301
Buildings	-	-	-	-	8 000	8 000	-	-	-
Other fixed structures	12 738	15 391	8 787	3 212	1 112	1 112	1 171	1 230	1 301
Machinery and equipment	851	924	1 451	2 619	11 036	11 036	3 915	2 938	2 857
Transport equipment	405	701	376	1 321	4 521	4 521	1 392	1 000	1 059
Other machinery and equipment	446	223	1 075	1 298	6 515	6 515	2 523	1 938	1 798
Heritage assets	10 794	4 347	2 425	4 000	2 459	2 459	4 500	4 555	4 819
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	6 497	-	-	-	-	-	-	-	-
Payments for financial assets	1 968	2 519	34	2 500	2 500	2 500	4 388	-	252
Total	339 135	310 281	294 891	325 619	339 454	339 454	292 271	310 866	327 868
Unauth. Exp. (1st charge) not available for spending	(1 800)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 194)	-	-
Baseline available for spending after 1st charge	337 335	307 781	292 391	323 119	336 954	336 954	290 077	310 866	327 868

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

Project name		Project status	Municipality / Region	Type of infrastructure	Project duration		Source of funding	Budget programme name	Delivery Mechanism (individual project or packaged programme)	Targeted number of jobs for 2015/16	Total project cost	Expenditure to date from previous years	Total available	MTEF Forward estimates	
					Date: Start	Date: Finish							2016/17	2017/18	2018/19
R thousands															
Existing infrastructure assets															
<i>of which:</i>															
Maintenance and repair: Current															
	Moses Mabhida Building	Ongoing	Msunduzi	Maintenance and Repairs	01 April 2011	31 March 2019	Equitable share	Programme 1	Packaged prog	-	4 164	2 527	3 108	2 916	2 275
Upgrades and additions: Capital															
Returfishment and rehabilitation: Capital															
	Premier's Parkside Residence	Construction	Msunduzi	Upgrading premier's official residence	01 April 2014	31 March 2019	Equitable share	Programme 1	Packaged prog	-	-	2 527	1 937	2 034	2 152
	Renovations and refurbishments to palaces	Ongoing	Zululand District municipality	Upgrading King's official palace at Enyokent, Kwakhungela and Damahlala	01 April 2015	31 March 2019	Equitable share	Programme 3	Packaged prog	-	-	2 527	1 171	1 230	1 301
New infrastructure assets: Capital															
<i>of which:</i>															
	Provincial Public Service Training Academy	Construction	eThekweni	Admin Block	01 April 2015	31 March 2019	Equitable share	Programme 2	Packaged prog	-	-	-	-	-	-
Infrastructure transfers															
<i>of which:</i>															
	Infrastructure transfers: Current									*	*	*	*	*	*
	Infrastructure transfers: Capital									-	-	-	-	-	-
Infrastructure: Payments for financial assets															
Infrastructure: Leases															
										*	*	*	*	*	*
Total															
	Capital infrastructure									-	4 164	2 527	3 108	2 916	2 275
	Current infrastructure									-	-	2 527	1 937	2 034	2 152
										-	4 164	-	1 171	882	1 123

Table 1.G : Summary of transfers to local government (AFCON contribution and Indian indentured labourers)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
A KZN2000 eThekweni	15 000	-	4 865	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
B KZN211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZN212 Umdoni	-	-	-	-	-	-	-	-	-
B KZN213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN215 Ezinqoleni	-	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	-	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 Impendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	-	-	-	-	-	-	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
B KZN232 Emnambithi/Ladysmith	-	-	-	-	-	-	-	-	-
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	-	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZN236 Imbabazane	-	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
B KZN241 Endumeni	-	-	-	-	-	-	-	-	-
B KZN242 Nquthu	-	-	-	-	-	-	-	-	-
B KZN244 Msinga	-	-	-	-	-	-	-	-	-
B KZN245 Umvoti	-	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
B KZN252 Newcastle	-	-	-	-	-	-	-	-	-
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	-	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
B KZN271 Umhlabyalingana	-	-	-	-	-	-	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	-	-
B KZN273 The Big 5 False Bay	-	-	-	-	-	-	-	-	-
B KZN274 Hlabisa	-	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
B KZN281 Umfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	-	-	-	-	-	-	-	-	-
B KZN283 Ntambanana	-	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
B KZN291 Mandeni	-	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	-	-	-	-	-	-	-	-
B KZN431 Ingwe	-	-	-	-	-	-	-	-	-
B KZN432 Kwa Sani	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 Umzimkhulu	-	-	-	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	15 000	-	4 865	-	-	-	-	-	-

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

R thousand	Audited outcome			Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	3 733	2 439	2 934	2 183	2 293	2 407	2 529
Sale of goods and services other than capital assets	884	1 125	1 377	1 520	1 596	1 676	1 760
Interest, dividends and rent on land	2 849	1 314	1 557	663	697	731	769
Transfers received	26 460	29 095	35 149	34 977	30 028	32 263	33 989
Sale of capital assets	-	42	29	-	-	-	-
Total revenue	30 193	31 576	38 112	37 160	32 321	34 670	36 518
Expenses							
Current expense	30 241	30 207	36 032	40 160	32 321	34 670	36 518
Compensation of employees	17 928	19 992	23 660	26 472	22 494	25 037	27 138
Use of goods and services	10 758	8 761	10 613	13 166	9 827	9 633	9 380
Depreciation	1 555	1 454	1 759	522	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	30 241	30 207	36 032	40 160	32 321	34 670	36 518
Surplus / (Deficit)*	(48)	1 369	2 080	(3 000)	-	-	-
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	1 539	(1 313)	2 143	587	-	-	-
Adjustments for:							
Depreciation	1 555	1 787	1 759	522	-	-	-
Net (profit) / loss on disposal of fixed assets	(16)	(42)	(29)	-	-	-	-
Other	-	(3 058)	413	65	-	-	-
Operating surplus / (deficit) before changes in working capital	1 491	56	4 223	(2 413)	-	-	-
Changes in working capital	603	116	189	(65)	-	-	-
(Decrease) / increase in accounts payable	133	(48)	(36)	(131)	-	-	-
Decrease / (increase) in accounts receivable	781	36	50	(34)	-	-	-
(Decrease) / increase in provisions	(311)	128	175	100	-	-	-
Cash flow from operating activities	2 094	172	4 412	(2 478)	-	-	-
Transfers from government	26 460	29 095	35 149	34 977	-	-	-
Cash flow from investing activities	(376)	(3 201)	(2 665)	(522)	-	-	-
Acquisition of assets	(376)	(3 201)	(2 665)	(522)	-	-	-
Non-residential buildings	(48)	(194)	(119)	-	-	-	-
Biological assets	-	(228)	-	-	-	-	-
Computer equipment	(22)	(159)	(33)	-	-	-	-
Furniture and office equipment	(306)	(312)	(278)	(522)	-	-	-
Transport assets	-	(2 308)	(2 235)	-	-	-	-
Other flows from investing activities	-	-	-	-	-	-	-
Cash flow from financing activities	31	-	-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	1 749	(3 029)	1 747	(3 000)	-	-	-
Balance sheet data							
Carrying value of assets	31 247	33 218	34 152	33 630	33 630	33 630	33 630
Non-residential buildings	23 897	23 563	23 154	23 154	23 154	23 154	23 154
Biological assets	-	961	799	799	799	799	799
Computer equipment	55	68	139	139	139	139	139
Furniture and office equipment	5 820	5 249	4 985	4 463	4 463	4 463	4 463
Transport assets	1 475	3 377	5 075	5 075	5 075	5 075	5 075
Investments	-	-	-	-	-	-	-
Cash and cash equivalents	20 101	17 072	18 818	15 818	15 818	15 818	15 818
Receivables and prepayments	94	58	34	-	-	-	-
Inventory	813	219	194	160	160	160	160
Total assets	52 255	50 567	53 198	49 608	49 608	49 608	49 608
Capital and reserves	50 974	49 207	51 700	48 700	48 700	48 700	48 700
Accumulated reserves	51 022	50 974	49 207	51 700	48 700	48 700	48 700
Surplus / (Deficit)	(48)	1 369	2 080	(3 000)	-	-	-
Other	-	(3 136)	413	-	-	-	-
Borrowings	-	-	-	-	-	-	-
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	218	167	131	-	-	-	-
Deferred income	-	-	-	-	-	-	-
Provisions	1 063	1 193	1 367	908	908	908	908
Leave pay provision	657	739	872	379	379	379	379
Bonus pay provision	406	454	495	529	529	529	529
Funds managed (e.g. Poverty alleviation fund)	-	-	-	-	-	-	-
Contingent liabilities	-	-	-	-	-	-	-
Total equity and liabilities	52 255	50 567	53 198	49 608	49 608	49 608	49 608

* The surplus / (deficit) in 2015/16 relates to expenses incurred for which funds were rolled over from prior years

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

R thousand	Audited outcome			Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	206	214	176	150	-	-	-
Interest, dividends and rent on land	6	94	59	-	-	-	-
Other non-tax revenue	200	120	25	150	-	-	-
Transfers received*	10 800	15 393	18 162	27 415	15 167	16 501	18 040
Sale of capital assets	-	-	-	-	-	-	-
Total revenue	11 006	15 607	18 338	27 565	15 167	16 501	18 040
Expenses							
Current expense	12 226	16 038	18 877	23 313	15 337	16 616	17 767
Compensation of employees	2 601	3 629	3 890	5 050	5 449	6 717	7 053
Use of goods and services	8 153	10 969	13 759	17 037	9 158	9 294	10 170
Depreciation	1 318	1 317	1 183	1 226	730	605	544
Interest, dividends and rent on land	154	123	45	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	12 226	16 038	18 877	23 313	15 337	16 616	17 767
Surplus / (Deficit)**	(1 220)	(431)	(539)	4 252	(170)	(115)	273
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	1 674	1 494	1 277	1 225	730	605	544
Adjustments for:							
Depreciation	1 318	1 317	1 183	1 225	730	605	544
Interest	154	123	40	-	-	-	-
Net (profit) / loss on disposal of fixed assets	202	-	-	-	-	-	-
Other	-	54	54	-	-	-	-
Operating surplus / (deficit) before changes in working capital	454	1 063	738	5 477	560	490	817
Changes in working capital	572	569	2 476	(4 861)	-	-	-
(Decrease) / increase in accounts payable	(137)	472	2 476	(4 861)	-	-	-
Decrease / (increase) in accounts receivable	709	97	-	-	-	-	-
Cash flow from operating activities	1 026	1 632	3 214	616	560	490	817
Transfers from government	-	-	-	-	-	-	-
Cash flow from investing activities	(53)	(268)	(2 531)	(326)	(560)	(490)	(817)
Acquisition of assets	(53)	(268)	(2 531)	(426)	(560)	(490)	(817)
Other structures (Infrastructure assets)	-	-	(2 058)	-	-	-	-
Computer equipment	-	-	-	-	-	(40)	-
Furniture and office equipment	(53)	(103)	-	(80)	(156)	(66)	-
Other machinery and equipment	-	-	(368)	-	(372)	(310)	(400)
Transport assets	-	(143)	-	(296)	-	-	(367)
Computer software	-	(22)	(105)	(50)	(32)	(74)	(50)
Other flows from investing activities	-	-	-	100	-	-	-
Cash flow from financing activities	(1 203)	(1 203)	(1 002)	-	-	-	-
Finance lease	(1 203)	(1 203)	(1 002)	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	(230)	161	(319)	290	-	-	-
Balance sheet data							
Carrying value of assets	2 530	1 411	2 758	2 449	1 385	1 129	1 474
Other structures (Infrastructure assets)	-	-	2 037	1 953	-	-	-
Computer equipment	-	-	-	-	137	101	67
Furniture and office equipment	265	180	461	365	320	298	312
Other machinery and equipment	183	189	94	9	595	527	692
Specialised military assets	-	-	-	-	-	-	-
Transport assets	2 051	1 019	83	67	242	157	332
Computer software	31	23	83	55	91	46	71
Investments	216	233	179	56	-	-	-
Cash and cash equivalents	116	277	(41)	250	-	-	-
Bank	93	214	(47)	250	-	-	-
Cash on hand	(1)	-	-	-	-	-	-
Other	25	63	6	-	-	-	-
Receivables and prepayments	169	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Total assets	3 031	1 921	2 896	2 755	1 385	1 129	1 474
Capital and reserves	(2 313)	(2 724)	(3 263)	989	820	705	978
Accumulated reserves	(1 093)	(2 313)	(2 724)	(3 263)	990	820	705
Surplus / (Deficit)	(1 220)	(431)	(539)	4 252	(170)	(115)	273
Other	-	20	-	-	-	-	-
Borrowings	2 133	962	-	-	-	-	-
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	3 177	3 600	6 159	1 766	565	424	496
Trade payables	3 177	3 363	5 548	1 386	-	-	-
Accrued interest	-	237	611	380	565	424	496
Deferred income	-	-	-	-	-	-	-
Provisions	34	83	-	-	-	-	-
Funds managed (e.g. Poverty alleviation fund)	-	-	-	-	-	-	-
Contingent liabilities	-	-	-	-	-	-	-
Total equity and liabilities	3 031	1 921	2 896	2 755	1 385	1 129	1 474

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

**Note: The surplus/deficit relates to the accounting treatment of capital and other non-cash expense items.

Table 1.J : Personnel summary for Amafa

	Audited outcome			Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
A. Permanent and full-time-contract employees							
Personnel cost (R thousand)	17 361	19 206	22 937	25 644	26 492	28 479	30 616
Personnel numbers (head count)	98	97	101	104	104	104	104
Unit cost	177	198	227	247	255	274	294
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	567	786	723	828	890	957	1 028
Personnel numbers (head count)	150	150	150	150	150	150	150
Unit cost	4	5	5	6	6	6	7
C. Interns							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-
Total for entity							
Personnel cost (R thousand)	17 928	19 992	23 660	26 472	27 382	29 436	31 644
Personnel numbers (head count)**	248	247	251	254	254	254	254
Unit cost	72	81	94	104	108	116	125
D. Learnerships							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-

Details of personnel numbers according to salary level

Audited outcome				Revised Estimate	Medium-term Estimates		
Salary level	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Board Members	6	13	10	10	10	10	10
Executive Management	1		1	1	1	1	1
Senior Management	3	3	4	4	4	4	4
Middle Management	7	7	7	8	8	8	8
Professionals	-	-	-	-	-	-	-
Semi-skilled	32	33	34	35	35	35	35
Very low skilled	55	54	55	56	56	56	56
Total	104	110	111	114	114	114	114

** Total employee numbers exclude temporal contract employees

Table 1.K : Personnel summary for RHT

	Audited outcome			Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
A. Permanent and full-time-contract employees							
Personnel cost (R thousand)	1 093	3 374	3 617	5 091	5 449	6 717	7 053
Personnel numbers (head count)	3	7	7	8	11	12	12
Unit cost	364	482	517	636	495	560	588
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	1 508	255	273	-	-	-	-
Personnel numbers (head count)	4	3	3	-	-	-	-
Unit cost	377	85	91	-	-	-	-
C. Interns							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-
Total for entity							
Personnel cost (R thousand)	2 601	3 629	3 890	5 091	5 449	6 717	7 053
Personnel numbers (head count)	7	10	10	8	11	12	12
Unit cost	372	363	389	636	495	560	588
D. Learnerships							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-

Details of personnel numbers according to salary level

Volume of personnel numbers according to salary level							
Salary level	Audited outcome			Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Board Members	7	7	7	7	7	7	7
Executive Management	-	-	-	-	-	-	-
Senior Management	-	3	3	2	2	3	3
Middle Management	1	1	1	1	2	2	2
Professionals	2	2	2	2	3	3	3
Semi-skilled	3	3	3	2	2	2	2
Very low skilled	1	1	1	1	2	2	2
Total	14	17	17	15	18	19	19